

L.P.T.B. 3 Per Cent. Guaranteed Stock

One of the few major changes which has occurred in the Transport Bill was conceded by the Government on March 6 during the Committee stage. Mr. Glenvil Hall, Financial Secretary to the Treasury, then announced that the Chancellor of the Exchequer was prepared to meet some of the objections which had been put forward to what was considered as going back by the Government on a guarantee which had been given in past years in regard to London Passenger Transport Board stock. The Government was willing to issue a special type of stock to holders of L.P.T.B. 3 per cent. guaranteed stock, 1967-72, and a form of words would be introduced in the Bill to make it clear that these holders would be given a Transport Board stock which would be repaid in the same year as the present stock would have been paid. Previously, Mr. Dalton had contended that the Government guarantee of the present 3 per cent. stock was against default on the part of the Board, and that the question of implementing the guarantee would not arise once the stock had been taken over.

Home Railway Traffic Receipts

The latest return of traffic receipts of the four main-line railways and the London Passenger Transport Board covers the four weeks to February 23, and reflects heavy losses of traffic arising from these severe weather conditions during that period as well as the dislocation of industry resulting from the fuel crisis. Total receipts for the period fell by £4,023,000 to £21,056,000. Merchandise revenue was lower by £2,593,000 at £5,634,000, and passenger revenue was less by £1,636,000 at £11,515,000. Receipts from the movement of coal and coke were £206,000 better at £3,907,000. Details of the receipts for the four weeks compared with the similar period of 1946, and also for the eight weeks of this and last year, are given below:

	1947 £'000	1946 £'000	+ or - £'000	Per cent. + or -
Passenger	11,515	13,151	-1,636	-12.4
Merchandise	5,634	8,227	-2,593	-31.5
Coal and coke	3,907	3,701	+206	+5.6
Total	21,056	25,709	-4,023	-16.0
Aggregate for 8 weeks of the year	1947 £'000	1946 £'000	+ or - £'000	Per cent. + or -
Passengers	23,684	26,405	-2,721	-10.3
Merchandise	12,939	16,041	-3,102	-19.3
Coal and coke	7,879	7,178	+701	+9.8
Total	44,502	49,624	-5,122	-10.3

So far this year, railway traffic receipts have fallen by £5,122,000 to £44,502,000. Revenue from coal traffic has improved by £701,000, but merchandise receipts are less by £3,102,000; passenger receipts by £2,721,000.

Mr. W. S. Roberts

Great regret will be felt in railway and other industrial circles, not only in this country, but in several parts of the world, at the death, which we recorded briefly last week, of Mr. W. S. Roberts, until recently for many years Managing Director of the Railway Signal Co. Ltd. His long association with that company made him an authority not only on single-line working and problems associated therewith, but also on signalling and interlocking generally, of which he had had a very wide experience, having undertaken the installation of equipment on numerous railways here and overseas under the most varying conditions. For many years he played an energetic part in the activities of the Institution of Railway Signal Engineers, before which he read papers as well as constantly joining in discussions; during his Presidency in 1936 a very successful summer meeting was held at Liverpool, where he was widely known and respected in business and municipal life, and where the greater part of his professional career was passed. A portrait and biography appear elsewhere.

Australian Commonwealth Railways

The Australian Commonwealth Railways, consisting of the Trans-Australian, Central Australia, North Australia, and Australian Capital Territory Railways, have a route-mileage of 2,201 miles 4 ch. Earnings of the four systems in the year ended June 30, 1946, were £1,565,394, and working expenses amounted to £1,502,180, the net receipts of £63,214 com-

paring with £311,218 in the preceding year. Civilian passenger services on the Trans-Australian Railway were increased from one to two through trains weekly in each direction between Port Pirie Junction and Kalgoorlie as from August 1, 1945. Passenger traffic (civilian) for the whole journey (1,108 miles) rose by 12,576 to 28,170. There was an increase, also, in through civilian traffic on the Central Australia Railway between Port Augusta and Alice Springs (771 miles), the total of 4,530 comparing with 3,684 in the preceding year. The closing of military establishments served by the North Australia Railway resulted in a substantial decline in traffic on that system. An investigation has been completed into the use of diesel-electric locomotives to replace steam engines on the Trans-Australian Railway between Port Pirie Junction and Tarcoola (314 miles). Tenders have been called for the supply of two or four 1,000-h.p. diesel-electric units.

The Indian Railway Budget

The introduction of the new Central Government's first Railway Budget in the Central Assembly Chamber on February 17, marked, as Dr. John Matthai, the Transport Member, remarked, a unique occasion in the history of India. Some increases in rates, both passenger and goods, were to be expected in view of the declining revenues brought about by diminution of military traffic and increasing competition by road transport, and by increasing operating expenses which may reach a new high level as a result of the report of the Pay Commission and the Adjudicator. Though the increase in rates will not be popular, it may be recalled that Sir Edward Bentham's warning last year implied that such a step might be necessary if the railways were to remain financially sound. The past year has seen some improvement in passenger train services, 1,000 of which have been restored, but the present passenger-mileage is still only 80 per cent. of the pre-war figure. Provision for investments in joint road-rail companies provides an instance of complete reversal of policy. Whereas the Opposition last year threw out the grant for road services, now, as the Government, it is prepared to provide for them. A report is given in our Overseas section this week.

Conclusions of South African Overseas Mission

A preliminary review of the conclusions reached by the South African Railways & Harbours purchasing mission, which visited Europe and America last year, were given recently by Mr. D. H. C. du Plessis, who led the mission, in a speech to senior officers of the administration. Mr. du Plessis said that, apart from the revolutionised conceptions of goods shed working observed at the L.M.S.R. mechanised depots at Lawley Street, Birmingham, and St. Mary's, Derby, little of this kind worthy of mention was seen overseas. Study of rolling stock led to the conclusion that South Africa would be well advised to adopt all-metal construction, but as far as passenger accommodation was concerned, it was noted that the latest designs of American builders conformed closely to existing South African main-line stock. After studying diesel-electric motive power, it appeared that serious interest would not be taken in diesels for main-line work on account of the low coal costs in South Africa, although shunting was a different matter. The future of an experimental gas turbine locomotive using pulverised coal would be of considerable interest to South Africa.

Rail and Road Charging Problems

Elsewhere in this issue we publish extracts from a paper read by Mr. A. E. Sewell to the Institute of Transport on February 10. As Railway Chairman of the Road-Rail Central Conference, Mr. Sewell has been engaged in examining the problems which beset the fixing of charges for the transport of merchandise by rail and road. The problem of reconciling the practices of rail, road, and water carriers must be solved, whatever the fate of the Transport Bill may be. There is a danger that rate cutting on an extensive scale may become prevalent unless a national system of road rates is settled, and dovetailed into a railway rates scheme which will absorb the vast number of exceptional rates now quoted for railborne merchandise. Without committing the railways to any particular move, Mr. Sewell explained how his side of the Road-

Rail Conference was approaching the problems of adjusting transport prices to suit after-war conditions. His lucid exposition of a contentious subject led to a brisk debate.

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Retired Railway Officers' Society Luncheon

The spring luncheon of the Retired Railway Officers' Society, which was held on March 11, must be numbered among the most successful of the many of these functions we have attended. Mr. Ernest Wharton, the President, is a member of an old railway family, and for many years during his active service before his retirement, he was well known for his unbounded energy; it is clear that he is bringing that same quality to bear in his new sphere. Mr. Alfred Barnes, Minister of Transport, who was the principal guest, in a speech admirably attuned to the occasion, paid high tribute to the work of the railways and to railwaymen, both during the war and in the more recent past when operations were disrupted by the severe weather conditions. Mr. Gilbert Sclumper, indeed, commented on the very human speech of the Minister, when replying to the toast of the Retired Railway Officers' Society, which was proposed by Sir Ralph Wedgwood, who had stressed the importance of trained technical officers and the responsibilities they would bear in their industries even under nationalisation.

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New Locomotives for Malaya

The North British Locomotive Co. Ltd. has completed an order for no less than forty 4-6-2 three-cylinder locomotives, with double-bogie tenders, for the metre-gauge Malayan Railway, and most of these engines have already been shipped fully erected to Malaya. The type is not altogether new, but rather a continuation of the present class "O," with certain important modifications introduced by Mr. W. F. Wegener, the Chief Mechanical Engineer. The new engines, which are described and illustrated elsewhere in this issue, retain the three-cylinder arrangement with rotary cam poppet valves which have found so much favour in Malaya. Steam generation is encouraged by the provision of Nicholson thermic siphons, but these are evidently considered as an experimental venture, as they are applied only to two out of the forty locomotives. Another interesting new feature is the appearance of the Hulson type of firegrate, which replaces the usual finger rocking and drop grate. Maintenance work is likely to be much simplified by the adoption of solid big-ends, with hardened steel floating bushes, for the connecting rods. The moderate driving wheel diameter makes for a powerful general-purpose type, which accords with the policy followed for several years past in Malaya, where a machine designed purely for express duties could not be utilised to the extent desirable.

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Coal and Passenger Traffic

DURING the recent crisis period, coal has been given absolute priority over all other traffic, and something like 3,500 passenger trains have been cancelled to free locomotives and paths for the running of coal trains. With the resumption of industry, there will be much greater pressure on the railways for the conveyance of freight traffic, and the advent of spring doubtless will see the usual increase in passenger traffic.

Because of the necessity for building up adequate stocks of coal before next winter, we understand that the conveyance of coal is to be given absolute priority throughout the summer. There can be little doubt, therefore, that some restriction of passenger services will be necessary during the summer. But for the coal crisis, the railways would have been justified in expecting a higher level of passenger traffic than last year because of the steady rise in wage levels and the great extension of holidays with pay.

Even if passenger travel runs only at about the level of last year, any restriction in the level of last year's service will occasion considerable difficulties at the large railway termini at peak periods, and great inconvenience for passengers, judged from last year's experience. It is to be hoped, therefore, that should a reduction in the passenger service be announced, it will be accompanied by strong Government lead to the public to avoid travel at weekends whenever possible. The travel coupon system we have suggested on a number of occasions

would have proved invaluable in these circumstances. Sir Stafford Cripps, during the debate on the economic situation on March 10, announced that railway transport this year was to be on the basis of a 10 per cent. cut in passenger services as compared with last summer, and the introduction of the summer services a month later—June 1 instead of May 1.

The introduction of the five-day week at collieries on May 1 next is also likely to give rise to some problems for the railway managements. It is expected that production will reach at least the existing level, which means that six days' production will be concentrated into five days. The railways' problem, therefore, will be to run such additional trips daily as will be necessary to draw from the collieries a 20 per cent. increase in loaded coal wagons and also to provide them with a proportionate increase in empty wagons. Although the operating problem doubtless can be met by a re-arrangement of locomotive power and staff, or the use of additional engines, the question of wagons is a vital consideration.

Apart from the additional 20 per cent. of wagons which will have to be found for waggonage the pits on five days a week, those worked to the pits on Saturdays will not be loaded until the Monday; consequently, the available wagon pool, in effect, will be depleted weekly to the extent of many thousands of wagon-days. If the railways are to meet the requirements, therefore, it is clear that sufficient labour and materials must be forthcoming speedily to enable the excessive number of railway-owned and requisitioned privately-owned coal wagons now under and awaiting repair to be reduced to the pre-war level, and that special arrangements will have to be made to ensure that the loaded wagons are unloaded with the utmost dispatch at destination.

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Railways and the Coal Crisis

THE coal crisis in Great Britain during the past few weeks is having, and will have for some months, an adverse effect on trade and industry generally, and because of the irresponsible and uninformed criticisms which are being made of the railways we make no apologies for returning to the subject. On March 4, for instance, a national newspaper, referring to a statement by Mr. G. R. Strauss, Parliamentary Secretary to the Ministry of Transport, that miracles should not be expected in a few months from the nationalisation of the railways, remarked acidly that "an industry which was in such a state that it allowed England to freeze will obviously take a mighty lot of pulling together."

As to the present condition of the railway permanent way and rolling stock, we would point out that the Government's recent White Paper, "Economic Survey for 1947," admits that the proper maintenance had to be postponed in the national interest. Now that the railways are in a position to commence overtaking these arrears, the Government barely is able to supply them with sufficient quantities of materials to carry out their current renewal programmes, giving them no opportunity of overtaking the arrears of maintenance which are having a very adverse effect on railway operations.

Despite this very serious handicap, the White Paper calls attention to the fact that the railways are still carrying about 22 per cent. more ton-miles of traffic than before the war, while passenger traffic has also increased. This is not a bad achievement for the "poor bag of assets" which the railways were recently styled by the Chancellor of the Exchequer. Further, if the newspaper in question really believes that nationalised railways will control or influence snowdrifts from occurring in future, similar to those illustrated in our columns last week and this, or that the nationalised undertakings will be able to overcome more rapidly snowdrifts and icy conditions in marshalling yards similar to those which have been hampering transport recently, we can only marvel at its faith.

Next, Mr. Shinwell, Minister of Fuel & Power, stated in the House of Commons on February 26 that "there are always millions of tons of coal in the pipeline, that is, in transit." The facts are that even on February 13, when the weather was at its worst, the total amount of coal standing uncleared at collieries, in transit, and waiting acceptance by consignees was about 960,000 tons. As weather conditions improved, this was steadily reduced to the normal figure, which, during the winter months, is slightly over one day's output from the

collieries, a figure which allows little margin for reduction. Then, in the House of Commons debate on the Summer Time Bill on March 4, one M.P. said he thought every one knew that one of the limiting factors at collieries had been the inability to transport the coal after it had been produced, and that we had lost millions of tons because of the inability of transport to shift it. It would seem that any rod is good enough for some M.P.'s to beat the railways, for statements of this character are sheer hyperbole. The facts are that according to Ministry of Fuel & Power statistics, only about 350,000 tons of coal were lost through pit stoppages caused by rail transport difficulties and want of wagons, and nearly two-thirds of this were lost in a fortnight in December through causes beyond the control of the railways.

On the other hand, had the present rate of miners' voluntary absenteeism been reduced to even 50 per cent. over pre-war, many additional million tons of coal would have been produced, and it is safe to say that the recent stoppage in industry would not have been necessary, seeing that the Prime Minister stated in the House of Commons on March 5 that the total savings at electricity generating stations under the control of the Central Electricity Board during the three weeks stoppage of industry amounted to 550,802 tons—which is less than one day's production from the coal mines.

Great Northern Railway Company (Ireland)

IN the year ended December 31, 1946, gross receipts of the Great Northern Railway Company (Ireland) decreased by £103,287 to £3,328,248. Expenditure increased from £2,885,915 to £3,062,397, leaving net working receipts of £265,851, as against £502,323 in the preceding year. Of the increased expenditure, £111,433 represented higher costs under the headings of salaries, wages, and locomotive fuel. The remainder was due mainly to the rising prices of other miscellaneous requirements. After the addition of miscellaneous receipts, the total net income of £342,685 compared with £577,922 in 1945. Allowing for fixed charges, reserve for contingent liabilities, and an interim dividend of £2 per cent. on the consolidated 4 per cent. guaranteed stock, paid on September 2, 1946, the balance available for final dividends is £259,408. The directors recommend a final dividend of £2 per cent. on the consolidated 4 per cent. guaranteed stock; a dividend of £4 per cent. on the consolidated 4 per cent. preference stock; and a dividend of £2 10s. per cent., plus a bonus of 10s. per cent., on the ordinary stock. These distributions leave a balance to be carried forward of £40,535, as against £28,568 brought in from the previous account. The company has received £60,770 as a post-war refund of E.P.T. in respect of the periods ending December 31, 1944, and is required to reserve this for application to development and re-equipment.

Ordinary passenger receipts decreased from £1,277,711 to £1,184,821. Season tickets produced £123,167, as against £137,105, but there were increases of £113 from first class, and £135 from second class seasons. Third class season receipts fell by £14,186. The number of passengers carried, excluding seasons, was 8,636,380, or 1,707,226 fewer than in the preceding year. Goods tonnage fell from 1,636,225 to 1,598,424 tons, but receipts from this source increased from £1,081,801 to £1,094,486. A summary of the general financial position in 1945 and 1946 is given in the table below:

	1945	1946
	£	£
Total expenditure on Capital Account	10,725,697	10,768,675
Gross receipts from businesses	3,388,238	3,328,248
Revenue expenditure on ditto	2,885,915	3,062,397
Net receipts on ditto	502,323	265,851
Miscellaneous receipts (net)	75,599	76,834
Total net income	577,922	342,685
Interest, rentals and other fixed charges	335,917	156,576
Dividends on guaranteed and preference stocks	114,738	114,738
Dividend and half per cent. bonus on ordinary stock	121,520	121,520
Surplus	+5,747	-50,149
Brought forward	22,821	28,568
Carried forward	28,568	40,535

The total traffic expenditure on railway working of £2,635,968 represented 95.85 per cent. of the receipts. In 1945 the corresponding ratio was 87.0 per cent. Gross receipts from road transport increased from £241,971 to £277,372, and the net road transport receipts, at £86,895, compared with £79,663 in 1945. There was an increase also in gross receipts from hotels, refreshment rooms, and cars where

catering is carried on by the company, the total of £206,534 comparing with £198,638, and the net receipts of £24,043 were £9,846 higher. The track-mileage operated in 1946 totalled 827 miles 34 ch., the same as in the previous year. There was no change in the numbers of locomotives, road motor vehicles, and electric vehicles owned by the company.

London & North Eastern Railway Company

THE full report of the London & North Eastern Railway Company states that the net expenditure on capital account for the year 1946 was £790,522. Net revenue was £11,078,471, and with £33,311 from profit on realisation of investments and the balance brought forward from last year, £59,208, the total available for appropriation is £11,170,990. After meeting all fixed charges and providing for dividends on the guaranteed stocks, the 4 per cent. first preference stock, and the 5 per cent. redeemable preference stock (1955), there is a balance of £2,407,874, which permits of a final dividend of 2½ per cent. on the 4 per cent. second preference stock, making, with the interim dividend of 1 per cent., 3½ per cent. for the year. The balance of £175,576 which is to be carried forward includes certain items which the directors are advised will not be available for distribution to the stockholders if the terms of the Transport Bill pass into law in their present form. The L.N.E.R. in conjunction with other undertakings and bodies similarly affected, is taking all possible steps in opposition to the Bill, not only as regards the principle of State ownership and operation of transport, but also as to the inadequacy of the compensation. Dividend payments for the past 10 years are shown in the following table:—

	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946
%	%	%	%	%	%	%	%	%	%	%
Pref. ord. 5%	Nil									
2nd pref. 4%	13	4	2	2½	2½	2½	2½	2½	3½	3½
1st pref. 40%	4	Nil	4	4	4	4	4	4	4	4
Red. pref. 5%	5	Nil	5	5	5	5	5	5	5	5

The miscellaneous net receipts of £854,477 shown for 1946 include £721,311 (£536,622) dividends from associated bus companies. They also include £7,969 (£7,969) from Currie & Co. (Newcastle) Ltd. and £106,110 (£35,819) from Hay's Wharf Cartage Co. Ltd. Results of the whole undertaking for the past three years are summarised in the table below:—

	1944	1945	1946
	£	£	£
Total expenditure on capital account	360,758,490	361,512,035	362,302,557
Joint lines—Company's proportion			
net revenue	350,558	350,558	350,558
Miscellaneous receipts (net)	+553,933	+590,928	+854,477
Net revenue	10,753,279	11,027,813	11,078,471
Profit on realisation of investments	35,066	30,258	33,311
Appropriation to contingency fund	200,000	—	—
Reserves no longer required	—	281,562	—
Interest on loans and debenture stocks, etc.	4,207,887	4,205,187	4,202,937
Dividends on guaranteed and preference stocks	6,379,089	6,875,155	6,792,477
Balance after payment of preference dividends	1,369	-22,271	116,368
Balance brought forward from previous year	80,110	81,479	59,208
Balance carried forward to subsequent year	81,479	59,208	175,576

* Other than those included in financial arrangements with Government

Contact has been maintained with representatives of the L.N.E.R. Stockholders Association and the British Railway Stockholders Union; the directors emphasise that it is more than ever necessary to have organised support.

The report states that work has been resumed on the Liverpool Street and Fenchurch Street to Shenfield electrification scheme, and work is also proceeding in co-operation with the London Passenger Transport Board on the extension of the Central Line and the electrification of the L.N.E.R. lines from Leyton to Ongar. The total sum expended under the respective heads up to December 31, 1946, was: under the Railways (Agreement) Act 1935: £3,505,037, and under the London Passenger Transport (Agreement) Act 1935: £7,370,724.

The directors record their appreciation of the efficient manner in which the company's staff has continued to carry out its duties under the difficult conditions which prevailed during the year. Settlement was reached in 1946 of claims submitted by the trade unions in 1945 for consolidation of war advances. The settlement, which was effective from July 1, 1946, provided for the merging into standard rates of pay of salaried and conciliation grades of the full amount of the war advances then being paid.

Southern Railway Company

THE full report of the Southern Railway Company states that in connection with Government control a variation in the usual form of the financial accounts again has been authorised by the Minister of Transport. The variation is similar to that made a year ago, except that statement No. 5 (Details of Capital Expenditure) and No. 7 (Capital Powers and Other Assets Available to Meet Further Expenditure on Capital Account) have been restored. The statistical returns have been reintroduced as far as information is available. The net revenue, in the computation of which regard has been had to the provisions of the Transport Bill as presented to Parliament, amounts to £7,184,536, which compares with £6,989,301 for 1945. The balance available for dividend on the ordinary stocks is £2,257,886, compared with £2,076,930. After the interim dividend of 2½ per cent. on the preferred ordinary stock, there is a balance* of £1,568,221, which admits of a final dividend of 2½ per cent. on this stock, making 5 per cent. for the year, and a dividend of 2½ per cent. for the whole year on the deferred ordinary stock. The balance carried forward is £12,574. A year ago 2 per cent. was paid on the deferred ordinary stock, and the balance carried forward, £67,795. Dividends have been paid for the past 10 years as follow:—

	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946
Pref. ordinary	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Def. ordinary...	1½	Nill	1¼	1½	1¾	2	2	2	2	2

Below, the chief financial items for three years are summarised:—

	1944	1945	1946
Total expenditure on capital account	175,269,286	175,285,049	175,310,409
Joint lines—Company's proportion net			
revenue	Dr. 39,577	Dr. 39,837	Dr. 39,707
Miscellaneous receipts (net)	*197,305	*196,975	*277,130
Net revenue	7,000,052	6,989,301	7,184,536
Interest on loans, debenture stocks, etc.	2,243,167	2,243,167	2,243,167
Dividends on guaranteed and preference stocks	2,751,278	2,751,278	2,751,278
Balance after payment of preference dividends	2,005,607	1,994,856	2,190,091
Dividends on ordinary stocks	2,009,135	2,009,135	2,245,312
Rate per cent.—			
Preferred ordinary	5	5	5
Deferred ordinary	2	2	2
Surplus or deficit (+ or -)	-3,528	-14,279	-55,221
Balance brought forward from previous year	85,602	82,074	67,795
Balance carried forward to subsequent year	82,074	67,795	12,574

* Other than those included in financial arrangements with Government

The report states that the Government scheme relating to war damage for railway undertakings is still the subject of negotiation. With reference to the Transport Bill it is pointed out that in the case of the company's perpetual annuities, which are not quoted in the Stock Exchange Official Daily List, regard is to be had, in estimating their value, to the value of the most nearly comparable daily quoted securities. The report contains a table giving the values for compensation purposes of the respective securities of the company, and assuming British Transport stock carries interest at 2½ per cent. and is issued at par, on this basis the stockholders will suffer a reduction in income as shown below:—

Southern Railway Stock	Value of security for compensation (per £100 nominal)	Income received on £100 stock	Income on railway stock assuming 2½ per cent. p.a.	Reduction in annual income amount	Per-
					cent.
4 per cent. debenture	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
5 per cent. debenture	128 3 9	4 0 0	3 4 1	15 11	19·9
5 per cent. redeemable debenture (1962/67)	139 10 0	5 0 0	3 9 9	1 10 3	30·3
4 per cent. redeemable debenture (1970/80)	113 10 0	4 0 0	2 16 9	1 3 3	29·1
5 per cent. guaranteed preference	115 3 9	4 0 0	2 17 7	1 2 5	28·0
5 per cent. redeemable guaranteed preference (1957)	137 0 0	5 0 0	3 8 6	1 11 6	31·5
5 per cent. preference	115 7 6	5 0 0	2 17 8	2 2 4	42·3
5 per cent. redeemable preference (1964)	124 8 9	5 0 0	3 2 3	1 17 9	37·8
Preferred ordinary	77 12 6	5 0 0	1 18 10	3 1 2	61·2
Deferred ordinary...	24 0 0	2 0 0	1 2 0	1 8 0	70·0

The directors point out that the fixation by Parliament itself of the value of an undertaking to be acquired compulsorily in the absence of agreement as to the value is without precedent, and they are of opinion that the terms of fixation should be settled by an independent tribunal, and they will continue to press for the Bill to be amended accordingly.

The Railways (Valuation for Rating) Act, 1946, fixed for the fourth quinquennial period beginning in April, 1946, the net annual value of the company's undertaking at £1,528,540, which compares with £1,341,368. The balance sheet shows that the payment to trust fund in respect of arrears of maintenance under the terms of the Railway Control Agreement now totals £21,926,482, as compared with £21,467,746 twelve months earlier.

The Coal Crisis

ON March 1, *The Times* allotted a prominent place in its columns to a letter from Sir Ralph L. Wedgwood dealing with the essential facts of the coal problem. During almost the whole of an active railway career extending from 1897 to 1939, the former Chief General Manager of the London & North Eastern Railway was in close contact with the coal mining industry. On the amalgamation of railways in 1923, Sir Ralph took charge of a system originating about 40 per cent. of the coal, coke, and patent fuel passing by rail in this country. During his long term of distinguished railway service, Sir Ralph witnessed many "massive movements in trade," to use his own phrase, and in his opinion the coal problem is a normal one of demand outstripping supply. In the case of any other commodity, he argues, we should long since have ranged the world in the search for additional resources. He would, therefore, have our import programme "drawn up with primary regard to our basic needs, of which none ranks higher than fuel." This policy could be modified whenever our coal industry had been modernised so intensively as to be able to meet all home demands.

There is a great deal of force in Sir Ralph Wedgwood's contention, and his views were confirmed by another letter in *The Times* of March 5, from Mr. Austin Robinson, Sidney Sussex College, Cambridge, suggesting that the limiting factor on our industrial activities might now be raw material supplies and not manpower, as it was during the war. Mr. Robinson stresses the point that an increase of production per employee in most industries will depend on the supply of materials per head. He questions whether any practicable allocation of fuel resources for 1947 will give industry the supplies that are necessary for the fully efficient employment of its manpower. He would, therefore, like to see priority given this year to types of employment which use relatively little material, with emphasis put on repairs and deferred maintenance.

The present policy of the Government in restricting the consumption of coal, gas, and electricity must result in under-production. Already the output of transport of which the railways are capable has been curtailed drastically. Passenger train services have been reduced in order to save coal or to provide engines for hauling mineral trains. Little relief has been derived so far from the Minister of Transport's decision that over 1,200 locomotives should be fired by oil fuel instead of coal. The equipment of the engines and the construction of oil storage facilities divert materials and skilled labour from the task of overtaking arrears of maintenance. By the end of January, only 18 of these locomotives were in traffic.

In contrast to this slight palliative, the import of a substantial amount of locomotive coal would ease the motive-power situation in the railways at once, without entailing fresh capital expenditure. The cost of the imported coal might be high, but the railways are paying stiff prices for home coal which is often of indifferent quality, and it is more expensive to operate steam locomotives with oil fuel than with coal.

The Prime Minister stated in the House of Commons on March 4 that the Government considered it would not be justified in diverting coal cargoes from America going to other countries which need fuel, but quite different considerations would apply to the purchase of a large tonnage of the excellent steam coal mined in South Africa and Rhodesia. We import copper ore from Rhodesia. Why not coal? It is lamentable to have the Head of our Government explaining to the country that we have saved 550,000 tons of coal during the recent cold spell by crippling industry and making everybody miserable. That sort of planning is pure defeatism. There is an abundance of fuel in the world. Let us go out and secure enough of it to keep our railways and our industries going full-steam ahead.

LETTERS TO THE EDITOR

(The Editor is not responsible for the opinions of correspondents)

Front-Cab Proposal for "West Country" Pacifics

35, Knutsford Road,
Wilmslow, Cheshire. February 25

SIR.—With reference to Mr. A. G. Wells' proposal, described in *The Railway Gazette* of February 14, for overcoming the visibility difficulties experienced with the Southern Railway Pacifics, I would suggest that the simplest way of achieving that desirable end is to remove the absurd "streamline" casing with which these otherwise excellent machines are encumbered. This unsightly structure, by first limiting the area of the cab windows and then obstructing the outlook therefrom, is the primary cause of the trouble. It cannot influence the efficiency or economy of the engines at the speeds they normally attain, and despite the claim that, following the usual "careful wind-tunnel experiments," the casing was arranged to lift the exhaust clear of the cab, in practice it appears to have precisely the reverse effect.

It is significant that the L.M.S.R., the only British railway with experience of locomotives identical apart from the presence or absence of "streamlining," is taking already the step I have suggested.

Yours, etc.,
S. ELLINGWORTH

Are Our Railways a Disgrace?

47, St. Michaels Avenue, Bramhall,
Cheshire. January 31

TO THE EDITOR OF THE RAILWAY GAZETTE

SIR.—Last February, speaking in Toronto, Mr. Herbert Morrison said: "It is up to the Nationalisers to prove their case." And so recently Mr. Dalton endeavoured to "prove the case" by pointing out how inferior our railways are to those of other countries, especially Canada and the U.S.A.

I won't say much about the Continent, as I have only travelled a few thousand miles there, but an indelible memory of the French railways is trying to shave in Perrier water in a train that was not of the highest standard; nor can I help not forgetting the sights and smells of Italian trains, where more Italians seem to travel on the buffers, boilers, couplings, and carriage tops than squeeze into the carriages. But perhaps they feel that, as the State owns the railways, they should travel free! This method of travel is, I believe, very popular in Romania and other enlightened neighbouring States.

I have travelled nearly 100,000 miles on Canadian and U.S.A. trains, and I must disagree with our Mr. Dalton. Mr. Dalton made a rapid tour last summer to some of the bigger cities in America, where they serve big banquets, and no doubt he was impressed by the high standard which air competition (stultified over here) has forced some of the American railways to maintain on some crack trains. These are usually of the diesel type, e.g., the "Capitol Limited" of the B. & O., or the "Burlington Zephyr," but the number of these trains is limited.

I believe that the service that a railway company gives cannot be measured by two or three luxury trains a day, but by the frequency and quickness of trains throughout the system. In Canada and large parts of U.S.A., the trains are not as fast or regular as our own. Let us suppose that you want to go to Port Churchill on the Canadian National Railways. It is 509 miles from The Pas, and you can get a train each Friday at 9.45 a.m.! On Sunday afternoon at 3.30 you reach Churchill, an average of 9½ m.p.h. without a dining car. Then, if you have any business to do, you must finish it that afternoon in time to leave at 8 a.m. on Monday morning to get back to The Pas on Wednesday at 2 p.m., another 9½ m.p.h. average; or, of course, you can wait for the train next week. Yes, our railways have a lot to learn, and I am sure that our planners will be able to slow them down beautifully.

Perhaps it would be fairer to take a main line. Let us take Winnipeg to Edmonton, 867·7 miles. There is a daily train, and it does the run in 47 hr. (it feels like 47 days) or 18·5 m.p.h. average. But we cannot always travel on main lines. Let us say that you want to visit Cousin Joe at Yorkton, Sasks., 300 miles from Winnipeg. You can leave on Wednesday or Friday, and get into Russell, say, Friday night at 8.20. There you snug down for the night, and leave next morning at 9 a.m., getting into Yorkton at 12.50 p.m., an average speed of 10½ m.p.h. If you want to go on to Parkview, another 38 miles, you will get your connection on Tuesday morning.

Or let us take a train from the Metropolis of Canada, Montreal to Fort Covington, N.Y. The only train each day leaves

Montreal at 3.5 p.m. and does the 71 miles in 2½ hr. Your return train starts off at 6.10 a.m. There are places with lovely names like Buctouche, Shédiac, or Musquodoboit, waiting to lure the tourist, but you will only get a train once or twice a week.

And our stations are dingy, are they? Well, I would rather wait in a dingy station than sit in the rain on the railway track waiting to wave a red flag for the train to stop, as I have done in Northern Ontario, and hoping that the train would stop; 37 out of 57 "stations" between Quebec and Chicoutimi are "train stop on signal," and there are no sandwiches either. The Dearborn Station of Chicago, approached through the "red light" section, would take first prize in a dingy stations competition.

No, I believe that, far from being a disgrace, the British railways give the best all-round service that any country has.

Let the British railways marshal their facts to prove this, and if they are being taken over on false premises, then, as in the U.S.A., they should be able to appeal to a Supreme Court. If the case of the Crown is proved, they should not object. Mr. Barnes mentioned that 45 per cent. of the world's railway systems were State-owned. This figure is approximately that of Canada, where the Canadian National Railways is in constant competition with the private C.P.R., and is the greatest argument against nationalised monopoly. The two railways in Canada tend to keep each other on their toes, give the public the best service, pay their claims, and study the traveller or shipper. No more different system can be imagined than the one in force in Canada, and the State monopoly proposed here, which is a throwback to the days of the Stuarts and the mercantile system.

Yours faithfully,
R. B. STOKER

Fifty Years of Rail Transport

York. February 18

TO THE EDITOR OF THE RAILWAY GAZETTE

SIR.—In his second letter of February 4, Mr. H. Hill has the temerity to suggest that amalgamation prejudiced the staff of the old G.N.R. Until national agreements about salaries and wages were negotiated, G.N.R. men were grumbling constantly that they were paid on lower scales than their opposite numbers on the Midland and North Eastern Railways. As for promotion, the G.N.R. board generally imported an outsider when they had a good post to fill.

If Mr. Hill will look through their 1922 list of officers, he will find that the General Manager came from Ireland; the Secretary from the Far East; the Solicitor from Hull; the Chief Accountant from South America; the Chief Mechanical Engineer from the Lancashire & Yorkshire Railway; the Engineer & Stores Superintendent from the North British Railway; and the Goods Manager from Oxford University. Only the Superintendent and the Estate Surveyor started as youths in the G.N.R. service, the former getting most of his training in the General Manager's office, and the latter being a pupil of his predecessor as Estate Surveyor.

The G.N.R. "rankers" hadn't a look-in. Mr. Hill's golden age is nothing but a dream.

Yours faithfully,
"YORKIST"

Goods Station, L.N.E.R.

Middlesbrough. February 10

TO THE EDITOR OF THE RAILWAY GAZETTE

SIR.—With reference to letters under the above heading, in your January 24 issue, "Veteran Apprentice" states that apprentices had to work harder than their fellows who remained in the ranks. This is surely as it should be, in view of the apprentice's increased pay and greatly increased prospects. But is it true? The rankers think not. Their general feeling towards an apprentice may be summarised as follows: If he is a genuine ranker, selected fairly by successfully passing the competitive examination, without special help from the railway company, he is helped willingly. If his apprenticeship appointment can be justly attributed to other causes—for example, he may be a college graduate with no railway service—the natural feeling is, "why should the rankers educate him to be their betters?"

It is sad to reflect that in the twentieth century, and in a democracy, the favouritism, nepotism, and sycophancy of which "Clerk" so justly complains should influence appointments in a company which is also a public utility company. If it were so in a "family" business, it might be understandable, but would still be indefensible. What, not who, an employee knows should govern promotion; and what he or she knows should be directly concerned with his or her work—excellence at the selector's favourite sport should not influence promotion.

It is to be hoped that the forthcoming nationalisation of transport (and, doubtless, other fields similarly affected) will remedy

such injustice, of which most rankers could cite several cases. But it is presumably too much to hope that past injustices will be rectified.

I agree with "Green Ginger's" pleasure at a ranker achieving the post of Superintendent, but wish these cases were more frequent. I have served under eight District Goods Managers, but only three were rankers, I believe. Still, as I have only met one of the eight personally, I may be wrong in this.

Unlike your other correspondents quoted above, I have pleasure in signing my own name, and remain,

Yours faithfully,
R. DODSWORTH,
Goods Clerk

Missouri Pacific Diesel Trains

Westinghouse Electric Corporation,
East Pittsburgh, Pa. January 30

To THE EDITOR OF THE RAILWAY GAZETTE

SIR.—The Westinghouse Electric Corporation is a subscriber to your journal, *The Railway Gazette*, which is passed around to all members engaged in the railway traction phase of our work. On page 49 of your January 10 issue, you show a streamline train of the Missouri Pacific Railroad, with the caption: "The train is the 'Colorado Eagle' of the Missouri Pacific Lines, on the St. Louis-Denver run." Actually, the train in the picture shown is the Missouri Pacific Lines "Omaha Eagle," which runs between St. Louis and Omaha.

The Missouri Pacific Railroad purchased two "A" units, No. 7000 and 7001, from the Electric-Motive Division of the General Motors Corporation in 1937, to operate its original streamline train to Omaha. The "Colorado Eagle" is hauled by two such units, one "A" and one "B," the numbers being 7002 to 7005 inclusive. Actually, the "Colorado Eagle" is much too heavy a train to be hauled by just one unit.

This is in no way a criticism, but merely of an informative nature.

Yours truly,
W. R. SUGG, JR.
Heavy Traction Section,
Transportation and Generator
Division

Main-Line Electrification

Westminster, February 10

To THE EDITOR OF THE RAILWAY GAZETTE

SIR.—The three correspondents whose letters you published on February 7 overlook that all the article in the January 24 issue suggested was a fresh and practical inquiry into the question of main-line operation in the light of traction developments since 1931. Actual experience since the early years of this century has proved beyond a doubt the value of electrification within suburban and outer-suburban areas where passenger traffic is of primary importance.

The problem of working main lines such as the L.M.S.R. routes from Euston and St. Pancras to Scotland is altogether different. Passenger trains are heavier and faster; freight traffic becomes important and connections with busy cross-country lines are frequent. On some sections (Crewe to Carlisle, for example) electric locomotives would have distinct advantages over steam power because of steep gradients and other operating factors. The Weir Report states that a satisfactory return on the cost of electrifying this section cannot be earned unless all surrounding lines also are electrified. Carrying this principle to a logical conclusion, if a start is made by converting the tracks between Crewe and Carlisle, there is no stopping until £341 millions (at 1931 prices) have been spent on electrifying most of the railways in the country.

Now, with the diesel-electrics, the railways could pick and choose sections for the use of the new motive power without upsetting steam operation elsewhere, as limited electrification schemes are bound to do. Alternatively, the diesel-electrics could be reserved for the haulage of heavy passenger and goods trains travelling long distances, while the ordinary work-a-day trains over the same lines were handled by steam locomotives.

The diesel-electric is as flexible as the steam engine—perhaps more so, for some types can be driven from either end and do not need to be turned at their journey's end. Its first cost is high, but it can be kept at work for long spells and is thoroughly dependable. Mr. F. A. Harper's notes in *Diesel Railway Traction* for February show that the new motive power has made good for shunting purposes on the L.M.S.R., but it is too valuable an agency to confine to that sort of donkey work or to relegate to branch lines where its capacity for continuous action would be wasted owing to the intermittent nature of the traffic.

Your correspondents write as though the whole of

British railways would be dieselised. There is no chance of that happening, and even in America a saturation point for the use of diesel-electrics may arise in time. The quantity of oil fuel required for selected railway services in this country would not be a formidable addition to the amount purchased abroad at present for

- (i) the entire Navy;
- (ii) 54 per cent. or more of our mercantile marine;
- (iii) the R.A.F. and commercial air lines;
- (iv) road motor vehicles of all kinds; and
- (v) the railway engines and industrial plant now being adapted for burning oil. There would be no difficulty in finding markets for any coal displaced.

One last point is important. A railway using a number of diesel-electrics is free to take advantage of any improvements in the steam locomotive, or to switch over to the gas turbine-electric locomotive, or to any other form of supple prime-mover that may be devised in future. Once electrify all main lines, and our railway system would be too rigid to modify without piling large expenditures on the top of the original capital outlay. The American railways have been wise in their generation. Some of their eastern lines have a density of passenger and freight traffic combined that matches anything in this country, but they have side-tracked electrification. So let there be an open-minded investigation into the course of future developments while the British railways are recovering from the effects of war and the subsequent uneasy peace.

Yours faithfully,
YOUR CORRESPONDENT

Compensation under the Transport Bill

Hampstead, February 10

To THE EDITOR OF THE RAILWAY GAZETTE

SIR.—On February 7 you published a timely article on Mr. Dalton's illtimed speech at Gateshead, where he airily said what would be done with a saving of £19,000,000 a year, made at the expense of the railway stockholders. Within a week the three railway trade unions have blown the Chancellor's proposals to bits by claiming an allround increase of £1 a week in wages and a reduction in working hours from 48 to 40 (35 for clerks). His saving would be absorbed before half of these demands were conceded. Verily, the prospects of cheap travel are growing dim!

Yours faithfully,
STATISTICIAN

American Passenger Equipment

Red Cottage, Townsend Avenue,
St. Albans. March 3

To THE EDITOR OF THE RAILWAY GAZETTE

SIR.—I read with great interest the editorial on "British and American Passenger Train Travel" in your issue of January 31, and also the illustrated article on the new Pere Marquette trains in that of February 7. As you point out, these luxurious cars are not by any means standard in the U.S.A., but from my personal experience last winter I can say without hesitation that coach travel in the States is very much more comfortable than third class over here. I will go further, and say that coach class cars on such trains as the New York Central "Empire State," the Milwaukee Road's "Hiawatha," and the Reading's "Crusader," to mention only three, are superior in comfort and amenities to any British first class accommodation.

Moreover, at that time the rate for coach travel, including the 15 per cent. Federal tax, worked out at a fraction over 1½d. a mile, taking the dollar as equal to 5s. In addition to new rolling stock which was just beginning to appear when I left 12 months ago, there were many reconditioned cars in service which had been fitted with air conditioning, adjustable seats, drinking-water supply, and other facilities never seen in Britain.

For night travel, the old-fashioned standard Pullman sleeping cars certainly are less comfortable than our first class sleepers, although the lengthwise position of the bunks makes one less liable to be awakened by the jerks of starting and stopping; at least, that was my experience. The more *de luxe* Pullman accommodation usually has the beds arranged crosswise, and this has all the amenities of our best first class, although a year ago the overall rate was generally a little lower.

The railroads of America certainly have many features which should be introduced here, and I suggest that the British companies might aim, to begin with, at making their first class accommodation as pleasant as that of the newer American coach class vehicles.

Yours faithfully,
W. R. D. MANNING

OVERSEAS RAILWAY AFFAIRS

(From our correspondents)

INDIA

The Railway Budget

Dr. John Matthai, Member for Transport, introducing the Railway Budget in the Central Assembly on February 17, said that the budget for 1947-48 anticipated gross traffic receipts of Rs. 183 crores with the existing level of fares and freights, a fall of Rs. 23 crores as compared with the current year (Rs. 1 crore = £750,000). Ordinary working expenses were put at Rs. 135½ crores, a reduction of Rs. 23½ crores, attributable almost entirely to the virtual completion of the special charges to revenue of part of the cost of works commenced and rolling stock ordered during the war. The surplus on the present level of fares and rates would be only Rs. 7 crores, from which the contributions to general revenues, the betterment fund and the railway reserve had to be provided.

General revenues required a contribution of Rs. 7½ crores from the railways. The betterment fund, begun last year, which had to meet expenditure on amenities to passengers, on staff welfare (including housing), and on certain non-remunerative operational improvements designed for safety and increased efficiency of service, was estimated to require an annual contribution of at least Rs. 5 crores. The present railway reserve was quite inadequate for an industrial concern having more than Rs. 800 crores of capital at charge. It was considered that the fund should be at least Rs. 50 crores. If it was to reach this figure within even seven years, the annual contribution should be at least Rs. 5 crores. There was thus a gap of Rs. 10½ crores, which would be covered by increases in fares and rates.

Fares and Rates Increased

Among the more important features of the Railway Budget were a small increase of one anna in the rupee (1/16) on existing passenger fares from March 1, 1947, and slight adjustments in an upward direction of certain special and station-to-station goods rates which had in the past been fixed at unduly low levels for various reasons which no longer operated. The minimum fare of one anna would remain. The extra yield from passenger fares was estimated at Rs. 44 crores per annum. The adjustments in goods rates, introduced from April 1, were expected to yield Rs. 5½ crores per annum. At the end of 1947-48, the balances in the betterment fund, depreciation fund, and railway reserve were expected to be Rs. 14·56 crores, Rs. 101·92 crores, and Rs. 26·45 crores, respectively.

New Equipment and Undertakings

Public passenger traffic at present was higher than ever, due partly to the restoration of many pre-war train services. In addition to renovating stock subjected to intensive usage during the war, railway workshops were building new stock to the limit of their capacity, though production had been halved by many strikes and a "go-slow" attitude. All the goods locomotives ordered during the war were expected to be in service by the end of the current year, and orders for 400 passenger locomotives had been placed, of which 100 would be in service in 1948-49, and the balance in 1950. The budget contained provision for a new plant for the manufacture of locomotives at Kanchrapara, estimated to cost Rs. 11½ crores and

designed to produce 120 to 150 locomotives and 50 boilers annually. Production of complete locomotives was expected from 1950 [see our March 7 issue.—ED. R.G.]

The budget included a provision of about Rs. 2½ crores for the construction of new lines and the restoration of branches dismantled during the war, and the programme of projects had been referred again to provincial governments for review. A provision of Rs. 1½ crores was included for investment in joint road-rail companies on the basis of decisions of ministerial governments in the Provinces.

Calcutta Terminal Facilities

The Government of India has decided to set up a committee to investigate and report on the reorganisation of terminal facilities in Calcutta. Electrification of the suburban passenger services of the East Indian and Bengal Assam Railways, and of certain sections of the main line of the East Indian Railway, seems to be necessary if traffic to and from the city is to be handled more efficiently. The reorganisation of terminal facilities within city limits or nearby suburban areas also is essential. A large number of authorities, besides railways, is interested in this problem, and on account of this, and the complexity of the issues, the Government has set up an investigation committee, which will be known as the Calcutta Terminal Facilities Committee, 1947.

KENYA & UGANDA

Strike at Mombasa

On January 13, practically all the African labour working on Mombasa Island failed to report for duty. Reporting on the occurrence to the Kenya Legislative Council when it was over, the Attorney-General stated: "there could be no doubt that the strike was an attempt on the part of a number of persons to hold a pistol to the head of the community at large. . . . The strike took place without any notice, and a large number of workers who had no dispute of any kind with their employers were persuaded or intimidated into leaving their employment."

During the week before the strike broke out, the Labour Commissioner of Kenya was actually at Mombasa, together with the Staff and Welfare Adviser of the K.U.R., holding meetings with employees of the Kenya Landings & Shipping Company, the Railway Administration, and others in an effort to foster trades union principles, to get workers' representatives to use the correct channels for redressing grievances, and to collect information.

Services Maintained by Volunteers

Measures to meet the situation were put in hand immediately. On the day after the strike broke out, the liner *Georgic* arrived with 460 passengers. These were cleared, mails and baggage offloaded with the help of European and Asian volunteers, and the ship was not delayed. Railway services to and from the coast were maintained, at first with a mail train and two goods trains in each direction daily; this service was increased later to three, and then four goods trains each way. The offloading of packages and luggage, and the cleaning of coaches, were carried out by European and Asian volunteers, mostly railway employees. Coal was offloaded

from ships and loaded into wagons by European volunteers and paid labour from Arab sources.

The strike lasted from January 13 to January 24 inclusive. The Government has appointed a tribunal, with a Judge of the High Court presiding, to inquire into the causes of the labour unrest and to adjudicate. The finding of the tribunal is binding on employers and employees.

PALESTINE

Evacuation Trains

Although the "truce" with the railways continued, terrorist activity against the armed forces and police flared up again early in January, and all trains were held up on the night of January 2 for a short time until it was ascertained that lines were clear.

On February 5, 6, and 7, special trains were run from Haifa and Sarafand to Egypt, evacuating British wives and families and non-essential males. Although arrangements were made at short notice, the evacuation was carried out smoothly and without incident. Each train consisted of one sleeping car, one restaurant car, four firsts, one composite, two seconds, and two luggage vans. The sleeping cars, supplied by Wagon-Lits, were under the control of an R.A.M.C. medical officer, with nurses and staff, and were used only for sick and elderly people. Meals were provided at Gaza and El Kantara under arrangements made by the Army authorities, and everything possible was done to ensure the comfort of the passengers. Security patrols were intensified in danger areas and armed personnel travelled on the trains.

The High Commissioner, General Sir Alan Cunningham, was present at Lydda Station, and conversed with the passengers, most of whom were wives of Government officials and families of British Army and Palestine Police personnel. Approximately 1,000 women and children were evacuated by train to Egypt.

ARGENTINA

Sir Montague Eddy on the Agreement

Shortly before his departure for Great Britain on February 19, Sir Montague Eddy, at a Press conference in Buenos Aires, stated that the Anglo-Argentine railway agreement "was a reasonable compromise, and reasonably satisfactory to both sides." He emphasised the importance of co-ordinating rail and road transport, in order to offset the growing competition from the roads. While the British-owned railways were unable adequately to meet this challenge, because of higher operating costs, he said that a nationalised transportation system could do so. For that reason, taking a long view of the matter and realising that the increasing running costs would not be accompanied by a corresponding increase in income while the railways were operated by private companies, he believed that the Argentine Government would make considerably more than the British owners had done. In fact, he saw no reason why the railways under State ownership should not become profitable concerns and yield good returns.

Supplies from Britain

Questioned as to the future of British manufacturers who had been supplying equipment to the railways, Sir Montague Eddy said that the British-owned railways had always purchased their replacements on a competitive basis, adding that even

so, Britain obtained approximately 90 per cent. of the orders. "If Britain is able to maintain her standard of production, I see no reason why we should not hold the railway market against all others," he declared.

Discussing the financial side of the agreement, Sir Montague Eddy said that the landed properties not included in the agreement would bring in several additional millions of pounds sterling to the shareholders.

UNITED STATES

Pacifics Rebuilt with Streamlining

Five former Pacific type locomotives of the Chesapeake & Ohio are being rebuilt with the 4-6-4 wheel arrangement and a stainless-steel streamline casing, in preparation for working new fast passenger services. The first engine dealt with had been in service since 1926. Only the tender and part of the boiler of the old engine have been retained, the firebox and smokebox being new. Engine and tender together weigh 332 tons. The principal mechanical alterations are the use of poppet valves for steam distribution, and the addition of a booster.

New "Empire Builder" Services

Four new 12-car streamline diesel trains purchased by the Great Northern and Chicago, Burlington & Quincy were placed in service on February 23 between Chicago, Seattle, and Portland, and carry the name "Empire Builder." The service previously known as the "Empire Builder" has been renamed "Oriental Limited." The new "Empire Builder" leaves Chicago, westbound, at 1 p.m., giving simultaneous arrival at Seattle and Washington at 8 a.m. on the second day after departure. In the reverse direction,

departure from Seattle and Portland is at 3 p.m., and arrival in Chicago is at 2 p.m. on the second day. These timings cut 13½ hours from previous schedules.

EIRE

Train Service Reductions

The cancellation of all C.I.E. main-line passenger services on February 24 [see our March 7 issue, page 200.—Ed. R.G.] followed reductions to one train in each direction on four days a week on January 20, and on three days a week on February 17. These main-line cancellations, necessitated by the fuel shortage, are more serious than any imposed during the European war, when the minimum service was one train in each direction on two days a week from April to July, 1944.

Level Crossing Accidents

Sixteen C.I.E. railway crossing gates have been run through by road motor vehicles during recent weeks, and the company is perturbed by the increase in the number of accidents of this type. Fortunately, nobody was seriously injured. The company finds it difficult to procure the timber needed for replacing the crossing gates, and has to use wagons which are urgently needed for other tasks for delivering the new gates to various parts of the country.

Safety in Rail Travel

During the years 1945 and 1946, over 20 million passengers were carried in C.I.E. trains, and statistics issued by the Department of Industry & Commerce show that during this period there were only two fatal accidents to the fare-paying passengers. Each was caused by the passenger falling from a carriage while the

train was in motion. In one case, a verdict of suicide was returned by the Coroner, and the other was recorded as accidental death, no blame attaching to the company.

FRANCE

Special Train for Moscow Delegation

A special train conveying the British delegation to the Moscow Conference left Calais at 2.35 p.m. on March 4. It crossed Europe to Brest Litovsk, where the delegation transferred to a Russian train.

The train was composed of a special saloon coach, 3 couchette coaches, and 2 luggage vans supplied by the French National Railways; and 5 sleeping cars and one restaurant car supplied by the Cie. Internationale des Wagons-Lits.

Accommodation was provided for 182 passengers, and the total weight of the train was 650 tons. In addition to sleeping and dining car attendants, two members of the staff of the French National Railways accompanied the train throughout the journey.

Railwaymen Seek Wage Increases

French railwaymen have joined the General Labour Confederation (C.G.T.) in the demand for higher wages, formulated when the Government initiated the movement for an all-round reduction of 5 per cent. in prices. "Token" strikes occur from time to time, and at the outset railwaymen joined the movement, but later such strikes became less frequent. One suggestion for a compromise is that some arrangement might be made regarding the railwaymen's annual bonus, which is said to amount to about 10 per cent. of their total wages for the year. The bonus, with a slight increase, might be distributed monthly.

Publications Received

Internal-Combustion Engines Illustrated. London: Odhams Press Limited, Long Acre. 8½ in. x 5½ in. 384 pp. Over 400 illustrations. Price 9s. 6d.—Many of those who are engaged in the maintenance and operation of internal-combustion engines feel the need of a volume dealing with the subject from the technical point of view, but without too deep penetration into theory and mathematics. This book, therefore, has been written by qualified engineers who have kept the practical day-to-day requirements of mechanics in view.

A special feature is the abundance of drawings and diagrams showing both complete engines of various types and close-up views of their mechanical details. The introductory pages on internal-combustion engine principles deal with the 4-stroke and 2-stroke cycles, and with the diesel engine. Chapters on carburation and the principles of ignition, the latter including a background of simple electrical theory, are followed by the two main sections of the book, dealing respectively with automobile and aircraft engines.

The automobile section concludes with a chapter on maintenance and repairs, giving detailed illustrated instructions on decarbonising, adjustment of bearings, and work on valves, camshafts, cylinders, and pistons. Dismantling and re-assembly procedure are described in full. The section on aircraft engines includes an introduction to the principles of the gas turbine as applied to jet propulsion. It is the purpose of this book to tell those who know

already the procedure of maintaining internal-combustion engines the reasons why their routine attentions are necessary. The ready access to such knowledge provided by the text and illustrations should contribute much towards an improved standard of maintenance.

British Railway Facts and Figures.—The latest railway issue of this booklet by the main-line railways and London Transport contains a multitude of interesting facts and figures about the railways and the Board, their equipment, traffics, and special features. Simplicity is the keynote of the booklet, and for ready reference all the facts are arranged alphabetically. Librarians, students, and others interested may obtain copies from the British Railways' Press Office, 2, Palace Chambers, Bridge Street, Westminster, S.W.1.

Mechanics of the Metal Cutting Process. I. Orthogonal Cutting and a Type 2 Chip. By M. Eugene Merchant. 1945. American Institute of Physics. 10½ in. x 7½ in. 9 pp. Reprinted from *Journal of Applied Physics*, 1945, Vol. 16, No. 5, pp. 267-275.—The author, who is physicist in the Research Department of the Cincinnati Milling Machine Company, has achieved a world-wide reputation through his researches into metal cutting, and anything he has to say deserves the serious attention of engineers and metallurgists alike.

This paper is an analysis of the geometry of the chip and the system of forces set up when orthogonal cutting produces a continuous chip without a built-up

edge. The shearing strain undergone by the metal during chip formation is considered, and it is shown how the velocities of shear and chip flow can be determined. Descriptions are given also of the experimental methods used in this research, and tables of the observed and calculated values from representative tests are included.

Ruston & Hornsby No. 165 DS. Locomotive.—Ruston & Hornsby Limited, of Lincoln, has issued a brochure (Publication 8826) describing the firm's 150/165-b.h.p. 6-cylinder shunting locomotive, which is made in two types—0-4-0 or 0-6-0 wheel arrangements. The brochure includes outline drawings of the locomotive, tables of haulage capacities, and general specification.

A Variety of Steel Castings.—We have received from Hadfields Limited, East Hecla Works, Sheffield, a brochure which illustrates the diversity of experience of this firm in the manufacture of steel castings, ranging from the massive simplicity of rolling mill housings to the delicate complexity of aircraft components. Among the illustrations is one of a 15-ton hydraulic crosshead cylinder for an extrusion press, a casting for a 3,500-ton hydraulic straightening press, and also reproductions of photographs of flywheels, dredger buckets, etc., and gearing for cranes and excavators. Of special interest is an illustration of an impeller for a large centrifugal circulating pump, made from corrosion-resisting steel, and photographed after 14 years of continuous service in tidal waters.

Rail and Road Charging Problems*

Approaches to new system by railways and hauliers

IT may be a little hazardous to discuss the question of charging for the transport of merchandise at the present moment, but whatever the political outcome may be, and under whatever ownership we may function in the future, the basic problem, which has been at the root of all the malaise in the past, will have to be faced and solved. That problem is the amount of charge to be made for conveying merchandise by railway and by road respectively.

What is needed is a system of charging which reflects the economic advantages of each form of inland transport, allowing the trader to use whichever pleases him most. The charges should be so pitched that he is persuaded to despatch his traffic by the organisation best fitted in the universal interest to carry it under normal conditions.

General Plan of Charging

At present, in road rates there is in existence no general plan of charging. The railways have a general plan of charging, but 87 per cent. of the weight of their merchandise is carried at exceptional rates. Now is a unique opportunity, before road transport adopts a national charging system, and while everything is in the melting pot, to produce a railway charging system capable of integration with a road system, which shall be straightforward, clear-cut, and as fair as possible to all, spreading the transport charges of the country impartially (not equally) over all users.

Any act of bringing order into railway charging and at the same time correlating with road must have regard to realities. The most important of these realities is the rates which are being charged at the present time on the traffic travelling.

Exceptional rates, below maximum powers, and later below the standard, have been given during many decades either for competing with other transport or to encourage traffic to pass or for both reasons together. In the long years before 1923, when each component of the existing four main-line railways was a separate entity concerned solely with its own prosperity, the attraction of new business to its rails at the expense of its railway competitors was easily justified by the prospective increase in net receipts. Later, when the railways became four in number, the enlarged territory from which each gained its livelihood made it more difficult for any one of them to be sure that a new lower exceptional rate would increase its net receipts; in fact, the danger always was that the business being done would simply be transferred from trader "A" to trader "B" to the detriment of the former and that railway earnings would be less for the same weight of traffic.

If the railways are to become one, this argument will apply with still greater force in future. Before giving a reduced rate the goods manager had to be satisfied that its purpose would be to fulfil any of the following conditions:

(a) Increase or maintain the national consumption of the goods in question.

(b) Enable home-produced raw materials to be used.

(c) Enable the goods to be exported in greater quantity.

(d) Increase the consumption of commodities in areas remote from the place of manufacture.

It is always true that transport organisations cannot be prosperous unless those whom they serve are also prosperous, and it must be the constant endeavour to move hand-in-hand with agriculture and commerce. Many businesses in this country could never have been built up had it not been for the sympathetic and understanding realism of the railway management.

Practically all regular flows of traffic when passing by railway are now charged at exceptional rates, and as we have always worked to the principle of equal treatment for all, it follows that when measured by distance and size of consignment, a state of tolerable equality and stability has been achieved. Rates for similar traffics in different parts of the country may vary somewhat in the amount per ton per mile, yet, running through the picture there is a reasonable mean, traffic by traffic.

What matters to a firm is the total amount of its transport cost in relation to its output, and I see no reason at all why we cannot pass our exceptional rates through a crucible and re-cast them into a much simpler and more compact system of charging. This can be attained by a process of levelling up and levelling down without unbearable hardship.

The Road Haulage Association has been examining the problem of constructing a national system of road rates based exclusively on road factors, and some time ago it issued a full and comprehensive report on the subject. It is interesting to a railwayman to know that for a long time they were balked, in the same way that a railway accountant is balked, because they could not discover a formula which would give a figure of the true cost per ton per mile of working individual consignments of traffic. In the end, they have had to compromise on a fair and reasonable average basis.

Whereas in the past the railway system of classification, with its accompanying standard scales, has paid the greater regard to the value of the merchandise, the road scheme, which has had to have regard to the cost to the trader of doing his own transport under a "C" licence, whilst not entirely ignoring the value factor, pays most regard to bulk in proportion to weight. If it should happen in the halcyon days to come that there will be no effective "C" licence competition for distances over 40 miles, this may give more elbow-room, but any such restriction of radius should not be a reason for pitching public transport charges high.

The intention is that the road scheme should be capable of being dovetailed into a railway scheme and thereby reach fulfilment of the word "correlation." I am often asked what does the word mean: it's a fair question, and my answer is that it signifies a linking together of rates. It does not of itself imply identical rates.

The classification will consist of a list of commodities with an indication against each of the particular scale of rates per ton to be charged for consignments of varying weight gradation. These gradations are four in number, namely, for 10-, 6-, 4-, and 2-ton consignments, to meet the needs of the weights which are normally capable of being loaded into road vehicles of different standard sizes. There are to be at least three scales of mileage

rates attached to each gradation. "Smalls" are dealt with separately and are provided for with three scales of rates.

Whilst normally every traffic is provided with rates scales for these four weight gradations, there are some commodities which are so light in proportion to bulk that they will only load to, say, 50 per cent. of normality, and in such cases there is no provision, for example, for a 10-ton rate because 10 tons could never be got into the vehicle.

The decision as to which of the rates scales to apply to any given commodity will depend on variations in the cost factor due to the inherent nature of the traffic as tendered for conveyance. A great deal of care has been put into the build-up of the scales of suggested rates and regard has been paid to the speed ratio, the time cost per mile on variable expenses, terminal costs, and insurance. A balance loading factor of 75 per cent. has been taken for normal traffic, and this is where the advantage is obtained over the "C" licence holder, who cannot expect more than a 50 per cent. loading factor, and may often not get even that.

The scales are intended for use nationally, but they are to be minimum figures below which no haulier must go.

We, on the railways, have not been idle, but in view of the political situation and the uncertainties of the future, I can hardly discuss in detail our plans, although I can indicate in broad lines the direction of our investigations.

They include a new general merchandise classification, which, while still paying some regard to the value of the commodity, will pay much greater regard to wagon loading. We are already drafting such a classification, with appropriate scales of chargeable rates which will reflect to the trader the advantage he will derive from tendering traffic in 2-ton, 4-ton, 6-ton, 8-ton, and 10-ton loads, and of course, the bigger the load, the greater the advantage.

Individual Exceptional Rates

It is still our intention to give individual exceptional rates for merchandise traffic to meet very exceptional circumstances, but it is proposed to merge our existing exceptional rates, commodity by commodity, into scales which will reflect the average of rates charged hitherto, providing a ready-made exceptional rate for everybody. By and large, each trade will be asked to contribute to railway revenue in the same ratio as hitherto.

We should like to take "smalls" by merchandise train out of classification and charge simply on weight and distance irrespective of the commodity.

At the same time, we are proposing to continue our pre-war policy of closing smaller stations, and concentrate more on key points, using road facilities for collection and delivery work to and from these key points. All rates for general merchandise, unless the traffic is to or from private sidings, should, in future, be inclusive of collection and delivery.

We cannot have a satisfactory linking together of mileage scales, rates, and charges if the distances on which such rates are based are different. There are at least three different methods of assessing chargeable distance between any two points—radial or crowflight; rail; road. The first, "radial," is in many ways the most logical, because it represents the net requirements of the customer. A radial basis presents practical difficulties such as intervening mountain ranges, or wide estuaries, which would throw too heavy

(Continued on page 243)

* Abstract of a paper, "Road—Rail—Water: Price Problems—Past, Present, Presumptive," read by Mr. A. E. Sewell, M.Inst.T., Chairman of Railway Panel, Road & Rail Conference, before the Institute of Transport on February 10

The Anglo-Argentine Railway Agreement

*Conditions of sale of the British-owned railways
in Argentina to the Argentine Government*

AT 11.30 a.m. on February 13, 1947, Argentina became the owner of the British railways in that country, when Señor Miguel Miranda, Chairman of the Trade Promotion Institute, and Sir Montague Eddy, signed the Anglo-Argentine sale and purchase agreement.

Señor Miranda said that with the signing of the agreement, the task of co-ordinating transport systems in Argentina became possible. The negotiations leading to the agreement had been long and difficult. Sir Reginald Leeper, the British Ambassador, and Sir Montague Eddy, Chairman of the delegation which negotiated with the Argentine sub-committee, had fought hard and well. Everything had been brought to a conclusion satisfactory to both parties. He acknowledged the part played by the British railways in contributing to the wealth and progress of Argentina, and said that their faith in the future of the country was an example to many Argentines. He hoped that the traditional relations of Argentina with Great Britain would grow even closer.

A speech which should have been delivered by Sir Montague Eddy was then read by Mr. Mervyn F. Ryan, Managing Director, Buenos Ayres & Pacific Railway, as Sir Montague Eddy was suffering from a partial loss of voice. The speech said that they witnessed the taking over of the railways by the Argentine Government with the satisfaction of knowing that never for one moment had the British companies failed in carrying out their obligations to Argentina, and accorded sincere wishes for the success of the future organisation.

Some scenes at the signing of the agreement are reproduced opposite.

Terms of the Agreement

The parties to the agreement are the National Government of the Argentine Republic, and the following British-owned railway companies:—

Buenos Ayres Great Southern Railway Co. Ltd.
Buenos Ayres Western Railway Limited
Bahia Blanca & North Western Railway Co. Ltd.
The Buenos Ayres Ensenada & South Coast Railway Co. Ltd.
Buenos Ayres Midland Railway Co. Ltd.
Central Argentine Railway Limited
Buenos Ayres & Pacific Railway Co. Ltd.
Argentine Great Western Railway Co. Ltd.
Villa Maria & Rufino Railway Co. Ltd.
Entre Ríos Railways Co. Ltd.
Argentine North Eastern Railway Co. Ltd.

The Government, as purchaser, agrees with the British companies, as vendors, to the purchase and sale of all the assets connected with the operation of the railway transport systems of the British companies in Argentina as at July 1, 1946, including operating equipment and stores. It is provided that the stores purchased shall include stocks of materials and supplies of every kind, both in Argentina as at June 30, 1946, and those which were outside the territory on that date, or were in transit thereto in accordance with the inventories and other documents in the Argentine Republic as at June 30, 1946.

The purchase covers also the properties and capital assets in Argentina of the following companies incorporated in England:—

South American Hotels Limited
Buenos Ayres Southern Dock Co. Ltd.
Bahia Blanca Waterworks Limited
Litoral Transport Co. Ltd.

The Argentine Government takes over, also, the surplus lands, properties, and buildings which do not form part of the track, stations, or branches, and the cost

of which has been eliminated from the capital account of the British companies by decrees of the Argentine Government; as well as any land belonging to the British companies the incorporation of which in the capital account has not been established by the Argentine Government. The shares or quotas of capital in associated or subsidiary transport and other undertakings are being acquired, including the properties and capital assets of the Railway Petroleum Company, and the Agricultural Light Railways belonging to the Buenos Ayres Great Southern Railway Co. Ltd.

Items Excluded from Purchase

The agreement excludes immovable properties of the British companies which were the subject of expropriation proceedings instituted before July 1, 1946; credits in favour of the British companies arising from such expropriation proceedings; bonds and securities deposited by British companies with the Bank of the Argentine Nation, or other authority within the Argentine Republic, as security for concessions, undertakings, or conduct of employees (such bonds or securities to be released to the individual British companies concerned); all assets of British companies outside Argentina with the exception of materials and supplies already mentioned; and the interests of the British companies in the Compañía de Muelles y Depósitos Las Catalinas Limitada, and the Compañía Argentine de Tierras e Industrias Limitada.

All cash in hand and securities and credits of the British companies accruing from the operation of the railways up to June 30, 1946, shall belong to or be liquidated for the benefit of the British companies, and any sum of money or other assets resulting from lawsuits arising from the working of the railways up to June 30, 1946, shall belong to the British companies.

The total price of all assets taken over is fixed at ps. 2,482,500,000 (£150,000,000 sterling) made up of ps. 2,242,525,000 (£135,500,000) for all assets comprising the railway systems themselves, and ps. 239,975,000 (£14,500,000) in respect of all other assets. The Government undertakes to make available at the Bank of England on the date on which the payment of ps. 2,482,500,000 is effected, the sum of £150,000 in favour of the British companies.

Discharge of Debts

The British companies agree to transfer their properties and assets free of all fixed or floating charges, and to take steps as soon as possible after the ratification of the agreement to discharge and extinguish all such charges. They are to discharge all debts and other obligations arising from operations before July 1, 1946, with the exception of obligations incurred in respect of stores and equipment ordered before or after that date, but not delivered by then. Such obligations are to be fulfilled by the Argentine Government.

The British companies are to renounce all claims against the National Government, or against any provincial or municipal government or entity, arising from operations before July 1, 1946.

As from July 1, 1946, it is deemed that the British companies administer their

undertakings for the account of the Government. During the period of such administration, the companies shall be entitled to develop, modernise, and renew their systems as may be necessary, and will be entitled to place orders, incur expenditure, or acquire property and assets for this purpose. As remuneration for working the systems, and as interest on capital, the companies will retain out of the gross receipts a sum equivalent to $\frac{1}{2}$ per cent. per annum on the total purchase price. All capital works and improvements carried out by the British companies subsequent to July 1, 1946, shall be for the account of and remain for the benefit of the Government.

The purchase and sale agreement will become definite after the boards and shareholders of the British companies have ratified it, and after the board of the Trade Promotion Institute has approved the action taken. Once the agreement has been ratified by both parties, and on payment of the purchase price, the transfer to the Government of the ownership of the assets, shares, and quotas of capital shall operate *ipso jure* and with retroactive effect as from July 1, 1946. The purchase price will be paid free of any tax or duty, and the Government undertakes to pay all expenses entailed by the carrying out of the purchase. The Government will make available, without charge, the necessary accommodation for the British companies to establish the legal and commercial representation necessary to comply with the obligations undertaken in accordance with the agreement. Such representation shall be subject to the supervision of the Argentine Government.

Future of Staff

The position of the staff of the railway companies under this agreement was the subject of an editorial note in our March 7 issue. Briefly, staff of all grades whose salaries exceed ps. 1,000 a month will be given five-year contracts under which they will retain their present rights and privileges. Staff with monthly salaries under ps. 1,000 will be retained by the purchaser, but without entering into new contracts. It is agreed that as soon as possible the Government and the British companies shall enter into complementary agreements designed to ensure for the employees the maximum guarantee and stability in their positions, compatible with the laws of Argentina.

The agreement states in conclusion that it is the result and final accord of the negotiations initially based on the agreement entered into on September 17, 1946, between the Government of the Argentine Republic and the Government of the United Kingdom. It has been made with the knowledge of the Government of the United Kingdom for the purpose of giving that agreement the new form which, in present circumstances, has been considered more convenient by the Argentine Government.

MORE G.W.R. STATION LOUDSPEAKERS.—Loudspeakers for the direction of passengers are to be installed by the G.W.R. at Cardiff Queen Street and Pontypridd. At Queen Street there will be seven circuits controlled from a soundproof announcing kiosk on Platform 1; and at Pontypridd six circuits operated from a control panel in the guards' room on Platform 5. Women announcers will be employed at both stations. The G.W.R. now has a total of 33 permanent loudspeaker installations either in operation or authorised.

Signing the Anglo-Argentine Railways Purchase Agreement



Group at the signing of the agreement, showing, from left to right, Dr. Bramuglia, Argentine Minister for Foreign Affairs; Sr. Miguel Miranda; Sir Reginald Leeper; General Perón, President of Argentina; Dr. Hortensio Quijano, Vice-President; and Sir Montague Eddy



Sir Montague Eddy (left) discussing the agreement with a representative of the British-owned railways



Sir Montague Eddy (left) and Dr. Juan Bramuglia, Argentine Minister for Foreign Affairs



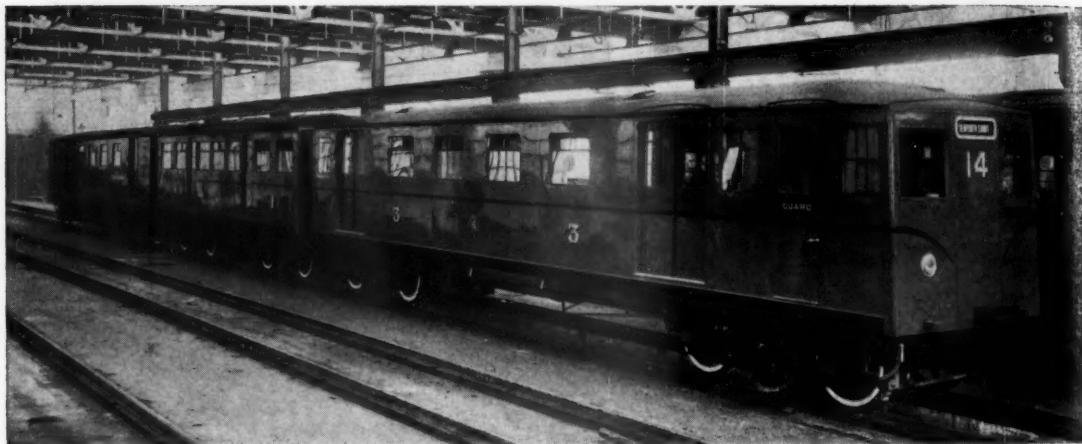
Sir Montague Eddy signing the agreement



Sr. Miguel Miranda affixing his signature

Modernised Trains for Liverpool Overhead Railway

Reconstruction carried out by the company's staff at Seaforth Works



One of the rebuilt three-car sets of the Liverpool Overhead Railway

ON account of limitations imposed by short-radius curves, the rolling stock of the Liverpool Overhead Railway is limited to three-car sets, each comprising two 45-ft. motor coaches with a 32-ft. intermediate trailer. The existing vehicles are fundamentally the same as when supplied at the time the company began operations in 1893, although minor alterations and improvements have been made from time to time.

When further reconstruction was considered recently, it was decided that instead of attempting to rebuild on the old lines, it was desirable to incorporate modern improvements and to achieve an external appearance in keeping with current trends of design.

One three-car set has been rebuilt already. The doors are of the electro-pneumatic sliding type, operated by the

guard, and the coach interiors have been improved by new seating and modern lighting fittings. Ventilators of streamline form have been provided on the carriage roofs.

The coaches are of composite aluminium and plywood construction. In the third class coaches the seats have tubular framing and are upholstered in leather. The first class seats are timber-framed, with moquette upholstery. Fittings in both classes are of stainless steel, and the coaches have matched plywood interior panelling.

A second three-car set, now in the course of reconstruction, will incorporate various further modifications. These will affect chiefly the external appearance, by reason of alterations to the spacing of the doors and windows in the motor coaches, and will involve a consequent

modification of the interior seating accommodation. All the work of reconstructing the sets is being carried out by the company's own staff at Seaforth Sands. No additional labour was available on account of the shortage of craftsmen.

Column Support

The Liverpool Overhead Railway, 6½ miles in length, was opened on March 6, 1893, and runs along the Liverpool waterfront from Seaforth Sands to Dingle. For most of its length the line is supported 16 ft. above the roadway on columns, but the southern terminus, at Dingle, is at the end of a tunnel 800 yd. long. Three lifting bridges are provided at different points in the overhead section to allow the passage of road traffic, and there is one swing bridge spanning the channel leading to the Stanley Dock.



First class compartment



Third class compartment

Rail and Road Charging Problems

(Concluded from page 239)

a burden on the carrier, and adjustments in calculations to meet such local difficulties would cause insurmountable confusion.

Route distances by railway or road are more practicable. Here, again, we are up against the problem that there are 19,000 miles of railway route with 6,900 stations, and 180,000 miles of highway serving innumerable towns and villages.

The distancing problem, coupled with the sheer magnitude of the labour involved in calculating the millions of distances if every possible pair of points is to be covered, can best be surmounted by a system of charging zones, the common chargeable distance between each pair of

zones being calculated on a route principle to and from an important habitation near the centre of each zone.

To find the relationship between railway and road distances, several hundreds of tests of both long and short distances in different parts of the country have been made. The tests were divided into two parts, the first being between large centres of population, and the second having as one terminus a small town or village. In each case the actual distance was calculated as a percentage of the radial distance, and the summarised results were—

	Per cent. of Radial
Between large centres ...	Rail 118
To or from smaller places ...	Road 120

As was to be expected, both railway

and road routes between large towns are as direct as geographical conditions permit, and therefore it is apparent that in those instances where traffic requirements are heavy, there is not much difference between road and rail. Between the smaller places, however, there are individual pairs of points where the difference is much greater than the average, but the traffic requirements are not so onerous.

Subject to a minimum distance, we propose to charge the same classification scale rates, door to door, from any place in one zone to any place in another zone, and there will therefore always be available ready-made rates for consignments of varying size for every description of traffic between any two points in Great Britain.

Forty New Three-Cylinder Locomotives for the Malayan Railway

Standard 4-6-2 type built by the North British Locomotive Co. Ltd.



Engine being transported to the docks by road wagon

An important contract for the supply of forty new 4-6-2 tender locomotives for the Malayan Railway was secured after the recent war by the North British Locomotive Co. Ltd. The new engines have been built to the designs of Mr. W. F. Wegener, Chief Mechanical Engineer, under the supervision and inspection of the Crown Agents for the Colonies.

The building of these forty locomotives and tenders has now been completed; and they have recently been shipped to Malaya in fully-erected condition.

General Features

The design is generally similar to that described and illustrated in an article appearing in *The Railway Gazette* of April 28, 1939; but a number of modifications, some of them of outstanding interest, have been incorporated in the new locomotives, in accordance with the requirements of the railway authorities.

The general features of the design are the use of bar frames in conjunction with three high-pressure cylinders, actuated by rotary cam poppet valves. Steam is supplied at a pressure of 250 lb. per sq. in. by a boiler having a wide firebox; the barrel is made in two portions of which the forward one is cylindrical and the rear portion is tapered.

Large smoke deflectors are fitted on each side of the smokebox; the engines, like most of those on the Malayan Rail-

ways, are designed to give equally efficient service in either passenger or freight traffic. The tenders, which are of large capacity for the metre gauge, are of the double-bogie type.

Chief amongst the modifications introduced with the new series of locomotives is

the provision of Nicholson thermic siphons; these, however, are incorporated in only two of the forty new engines; and in these two cases, two such siphons are fitted in each firebox. The Hulson type of firegrate is fitted on all the locomotives instead of the usual finger rocking and drop gate.

Oil-fuel equipment, we understand, is being prepared for the conversion of one of these locomotives from coal to oil burning, and it is quite possible that the remaining 39 engines may be similarly converted at a later date.

In the smokebox, the chief modification is the enlargement of the diameter of the blast pipe nozzle by $\frac{1}{8}$ in.

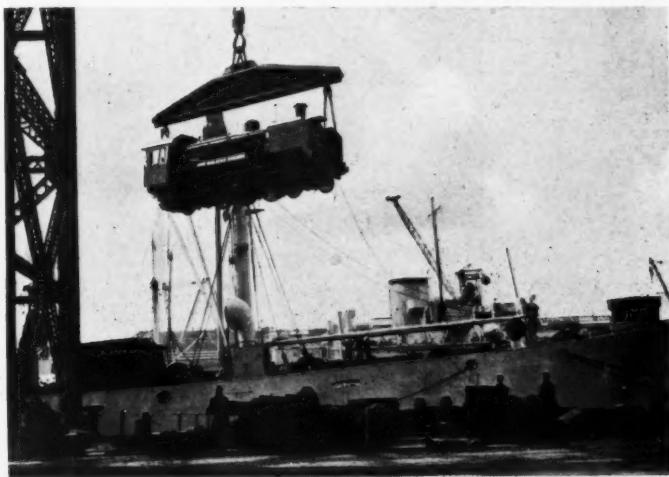
Prevention of Scale

In connection with the prevention of scale in the boiler, the Alfloc continuous blow-down valve is fitted. The blow-off cock is of the Evrit type, being located at the front of the firebox, and it is operated by lever and pull-rod from the side of the engine.

As to the cylinders and motion, the pistons are now fitted with three rings, instead of the two rings provided in the original design.

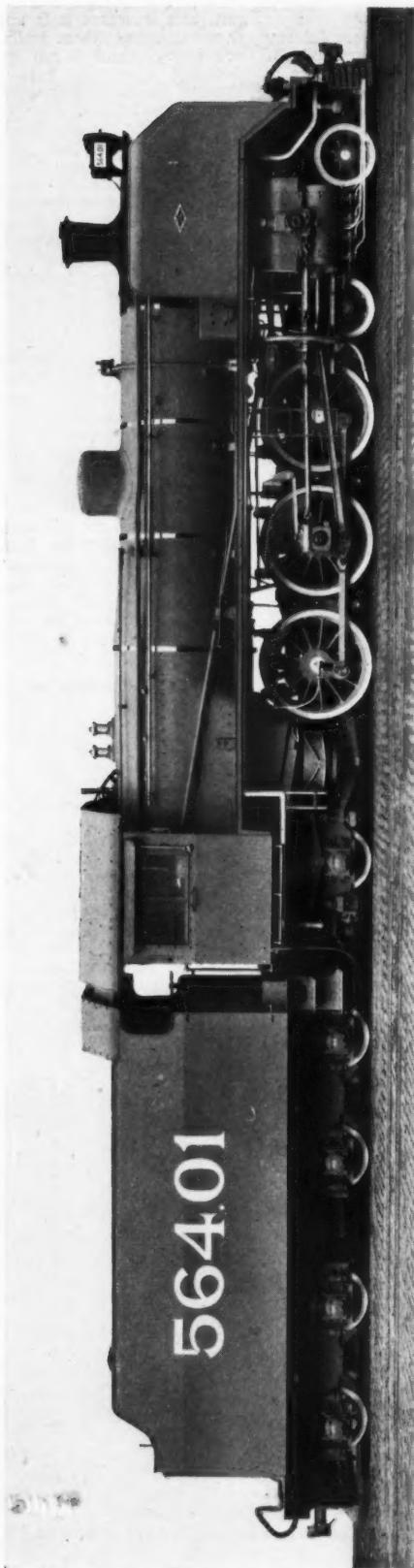
The outside connecting rods are fitted with solid big-ends fitted with bronze floating bushes. No arrangements are made for adjustment at either the large or small ends of any of the three connecting rods.

The vacuum brake connections to train at the front and the back of the engine and



Loading the engine at Glasgow with a 100-ton loading beam

New Three-Cylinder Locomotives for the Malayan Railway



The new 4-6-2 tender locomotive built by the North British Locomotive Co. Ltd.

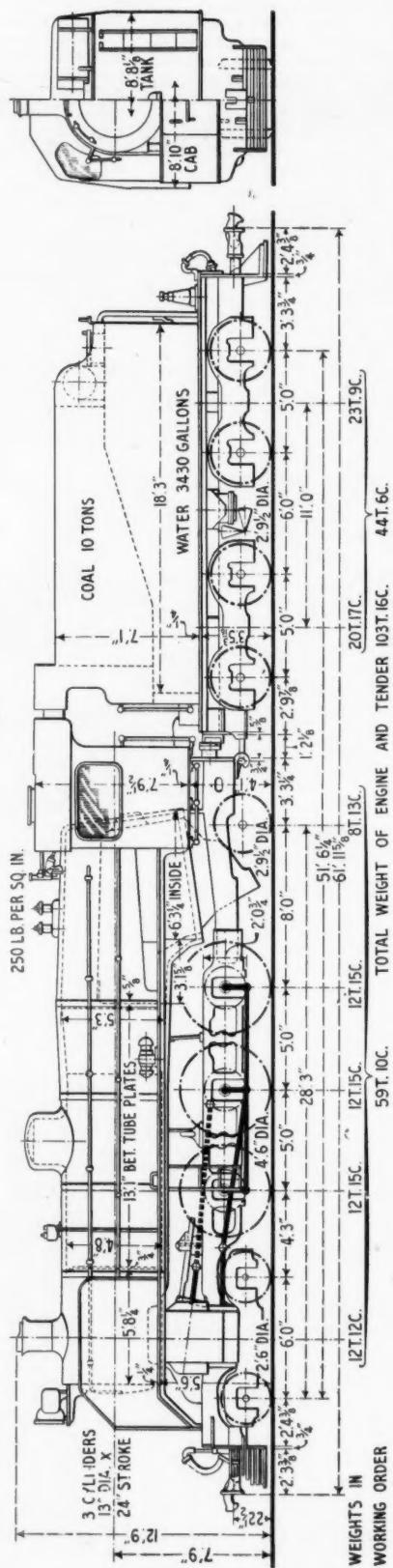
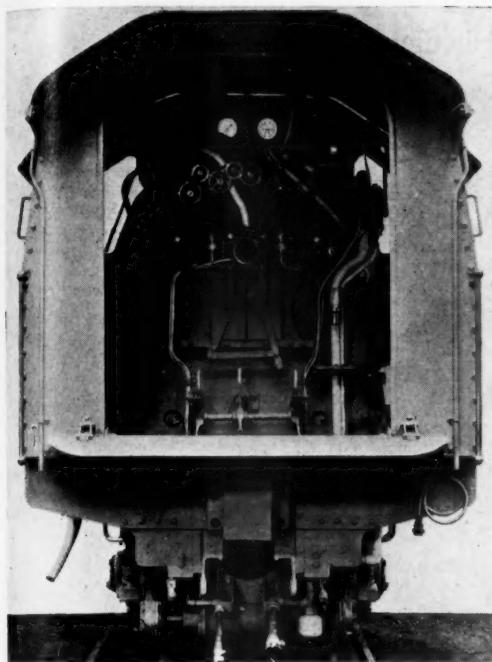


Diagram showing principal dimensions of locomotive and tender



View of cab of the new engine

tender respectively are modified by the provision of two "swan necks" instead of one at each buffer beam. The engine cow-catcher is of the flat-bar type.

Modifications to the cab include a slight increase in size, and the provision of a driver's seat with horizontal and vertical adjustment. The tender cab is equipped with a roof to afford increased shelter against sun and rain, and the contour of the cab and tank superstructure conforms generally to that of the engine cab.

A radial type buffer and a simple two-pin drawbar are now fitted between engine and tender. The engine is equipped with the A.B.C. Coupler Company's MCA-PH coupler, and the tender with the MCA-DA coupler. In this connection, it is of interest to note that the railway administration contemplates a change-over at some future date to a stronger form of coupler; and, with this aim in view, provision has been made

in the new locomotives for the ready installation of a central coupler and draft gear of the American knuckle type.

Leading Dimensions

The leading dimensions and weights of the new engines and tenders remain substantially the same as in the earlier series, and are as follow:—

Gauge	3 ft. 3½ in.
Cylinders (3), dia. × stroke	13 in. × 24 in.
Driving wheels, dia.	4 ft. 6 in.
Bogie wheels, dia.	2 ft. 9 in.
Trailing wheels and tender wheels, dia.	2 ft. 1 in.
Boiler, length between tubeplates	13 ft. 1 in.
" maximum internal dia.	5 ft. 3 in.
" minimum internal dia.	4 ft. 6½ in.
" height of centre line above rails	7 ft. 9 in.
Heating surface :	
85 tubes, 2 in. dia. × 11 s.w.g.	582 sq. ft.
21 flues, 5½ in. outside dia × 8 s.w.g.	378 "
2 arch tubes	10 "
Firebox	139 "
Total evaporative surface	1,109 sq. ft.
Superheater (elements 1½ in. outside dia.)	218 "
Combined heating surface	1,327 sq. ft.
Grate area	27 sq. ft.
Working pressure	250 lb. per sq. in.
Tractive effort at 85 per cent. boiler pressure	23,940 lb.
Adhesive weight	38½ tons
Ratio adhesive weight/tractive effort	3·8
Total water capacity of tender	3,430 gal.
" fuel capacity of tender	10 tons
Weight of engine in working order	59 tons 10 cwt.
" tender in working order	44 tons 6 cwt.
engine and tender in working order	103 tons 16 cwt.

A Snow Scene on the Darlington-Kirkby Stephen Line, L.N.E.R.



Clearing 20 ft. of snow from a vertical-sided rock cutting near Belah Viaduct, L.N.E.R., on the line from Darlington to Penrith. The snow is being cut out in benches. Belah Viaduct is near Barras on the Barnard Castle-Kirkby Stephen section of the route

Snow Clearance on the Manchester-Sheffield Line, L.N.E.R.



Snowdrifts on the L.N.E.R. Manchester-Sheffield line held up traffic, including coal trains, several times during the recent severe weather. German prisoners-of-war helped in clearing the track, and are seen above at Dunford Bridge



The first coal train passing Hadfield after the drifts were cleared

RAILWAY NEWS SECTION

PERSONAL

Brigadier A. E. M. Walter, C.B.E., has been appointed an Inspecting Officer of Railways in the Ministry of Transport with effect from January 28 last.

Mr. J. H. Wilson, M.P., Parliamentary Secretary, Ministry of Works, has been appointed Parliamentary Secretary, Board of Trade (Secretary for Overseas Trade), in succession to Mr. H. A. Marquand, M.P., appointed Paymaster-General.

Brigadier C. A. Langley, C.B.E., M.C., who, as recorded in our February 14 issue, has been appointed an Inspecting Officer of Railways in the Ministry of Transport,



Brigadier C. A. Langley

Appointed an Inspecting Officer of Railways, Ministry of Transport

with effect from October 7, 1946, retired from the appointment of Commandant, Railway Training Centre, Royal Engineers, on October 6 last. Before the recent war Brigadier Langley had considerable experience in all branches of military transportation and railway engineering, both in this country and abroad. He was seconded to the Great Indian Peninsula Railway for five years, and was employed largely on works in connection with electrification on that railway, including the construction of the power station at Kalyan. On his return to England Brigadier Langley was appointed to the Railway Training Centre, Longmoor, when, among other activities, he wrote a number of military textbooks on transportation, and was responsible for initiating the design of the military steel trestles and bridges used extensively during the war. During the early stages of the recent war he was responsible for transportation developments in the Middle East, and then was transferred to India, where he formed a Transportation Training Centre for the raising and training of all the docks and inland water transport troops of the Indian Engineers. Later he was responsible for the initial planning of movement and transportation requirements for South East Asia, and when that Command was formed he took over executive control of that work.

Mr. T. G. Creighton, who has been on a mission to Germany, has returned to duty with the Railway Board, New Delhi, as Controller of Railway Supplies.

The late Mr. J. A. Parker, who was Engineer, Northern Scottish Area, L.N.E.R., 1923-26, left (personal estate) £40,291.

Mr. George Stephens, whose death, at the age of 69, we recorded last week, retired at the end of 1945 from the position of Chief of Police, Great Western Railway. Mr. Stephens began his railway career in the Traffic Department in 1897, and transferred to the Detective Department, as it then was, in 1905. After a period as District Detective Officer at Car-

Mr. C. T. Cox, M.B.E., London Divisional Superintendent, Great Western Railway, who, as recorded in our March 7 issue, celebrated 50 years service with the company on February 25, joined the G.W.R. in the Paddington goods office, and after ten years was transferred to the London Divisional Superintendent's Office. In 1914 he was appointed Outdoor Assistant, Rolling Stock Department, Office of the Superintendent of the Line. With the introduction of wagon-pooling arrangements in pre-amalgamation days, Mr. Cox became the G.W.R. representative in South Wales in connection with the control and distribution of rolling stock to and from the Welsh local railways. In 1921 he was appointed Chief Clerk to



The late Mr. George Stephens

Chief of Police, G.W.R., 1935-45



Mr. C. T. Cox

London Divisional Superintendent, G.W.R., who celebrates 50 years service

diff he transferred to headquarters and in 1912 became Assistant Superintendent. After the war of 1914-18, when the force was reorganised, he became Assistant Chief of Police. In 1935 he became Chief of Police, and from 1939 to 1943 was Chairman of the Police Sub-Committee of the Railway Executive Committee. During the recent war, in addition to the responsibility of policing the railway and docks, he was A.R.P. Officer for the Paddington area. Throughout his long police career Mr. Stephens had been an associate and friend of leading police officers all over Great Britain, and his wide knowledge of railway and police matters did much to increase the efficiency and to enhance the prestige of his department.

Mr. Robert Foot has vacated the Chairmanship of the Mining Association. Mr. W. A. Lee succeeds him.

Sir Geoffrey Cox, Dr. C. P. Snow and Sir Edward Wilshaw have been elected Directors of the English Electric Co. Ltd.

We regret to record the death of Mr. W. A. Fraser, who was Engineer (Scotland), L.N.E.R., from 1926 until his retirement in 1938, and Engineer-in-Chief of the North British Railway from 1911 to 1923.

the Divisional Superintendent, Pontypool Road; in 1923, Assistant Divisional Superintendent, Cardiff; and, in 1933, London Divisional Superintendent. Mr. Cox planned the evacuation scheme which came into operation on September 1, 1939, when 105,000 women and children were carried to the country from Ealing Broadway; and during the evacuation of the B.E.F. from Dunkirk every special train run by the G.W.R. passed through his division either at Addison Road or Reading. He was responsible for the railway arrangements at Paddington and Windsor in connection with the funeral of King George V. Mr. Cox was made an M.B.E. in the New Year Honours, 1943.

On February 27, H. E. Vicomte Alain Obert de Thieusies, the Belgian Ambassador, carried out the Decree of December 20, 1946, in which H.R.H. the Prince Regent listed Belgian honorary distinctions to the following officers of the Southern Railway: Mr. R. M. T. Richards (Traffic Manager) and Mr. R. P. Biddle (Docks & Marine Manager), Chevalier dans l'Ordre de Leopold; Mr. C. Grasemann (Public Relations & Advertising Officer), Chevalier dans l'Ordre de la Couronne; Mr. H. J. Bourn (Passenger Assistant to Continental Superintendent), Chevalier dans l'Ordre de Leopold II.

March 14, 1947

*Mr. Alfred Morris*Assistant to Chief Hotels Superintendent,
L.M.S.R., 1939-46*The late Mr. W. S. Roberts*Managing Director, Railway Signal Co. Ltd., 1932-46;
Director, 1930-47*Mr. C. W. Dansey*Secretary to the local committee of the
Central Argentine Railway, 1944-46

Mr. Alfred Morris, Assistant to the Chief Hotels Superintendent, L.M.S.R., who, as recorded in our January 3 issue, retired on December 31 last, spent three years in an Edinburgh lawyer's office, and then took up an appointment as a clerk in the Central Hotel, Glasgow, when he began to build up an extensive knowledge of the hotel industry. He became Manager of the Caledonian Hotel, Edinburgh, in 1912, and of the Adelphi, Liverpool in 1925. Mr. Morris was appointed to his recent post in 1939. One of his most cherished possessions is his collection of autographs acquired during his long career as a hotelier; it contains the signatures of princes, statesmen and authors, and other celebrities from every walk of life. A presentation dinner in honour of Mr. Morris, on his completion of 50 years' service with the Hotels Department of the L.M.S.R., is being given at the Savoy Hotel, London, to-morrow (March 15).

The late Viscount Younger of Leckie, who was a member of the Scottish committee of the London Midland & Scottish Railway Company, left (net movable estate) £261,889.

G.W.R. APPOINTMENTS

Dr. J. K. Rowntree to be Assistant Medical Officer, Swindon, General Manager's Office (Medical Department).

Dr. C. Newnham, M.R.C.S., L.R.C.P., has been appointed Assistant to the Chief Medical Officer.

We regret to record the death on March 12, at the age of 78, of Mr. William Wickham Legg, M.A., Barrister-at-Law, who retired in 1945 after an association with the editorial staff of *The Railway Gazette* and its predecessor journals extending over 47 years.

The annual luncheon of the Dock & Harbour Authorities' Association was held at the Dorchester Hotel, London, on February 26. Sir John Anderson, President of the Association, was in the chair. The guests included:

Lord William Scott, Mr. G. R. Strauss, Sir Ronald Matthews, Viscount Portal, Sir Frederick West, Sir Douglas Ritchie, Colonel Eric Gore Browne, Colonel J. G. B. Beazley,

Lt.-Colonel Basil Nield, Mr. R. J. Hodges, Sir James Milne, Lord Saltoun, Sir John Irvin, Sir Eustace Missenden, Sir Charles Newton, and Sir Arthur Allen-Williams.

Mr. Walter S. Roberts, M.I.R.S.E., whose death we recorded briefly last week, was a Director, and from 1932 to 1946 had been Managing Director, of the Railway Signal Co. Ltd. He joined the L.N.W.R. in 1894, and in 1899 went to the Railway Signal Co. Ltd. as Chief Draughtsman; he became Works Manager in 1906, and General Manager in 1921. Meanwhile he had visited South Africa, Canada, the U.S.A., and South America, in connection with railway signalling, and particularly in relation to single-line operation. In 1930 he was appointed a Director, and in 1932 became Managing Director, from which position he retired last year, retaining his seat on the board. Mr. Roberts was responsible for the execution of many important signalling contracts in various parts of the world. He made a special study of safety devices for single-line railways, and was the patentee, or joint patentee, of many novelties which have been extensively adopted. He was President of the Institution of Railway Signal Engineers in 1936.

We regret to record the death on March 4, at the age of 70, of Mr. Henry Greenly, the well-known model engineer and author. He was Editor of *Models, Railways & Locomotives*, 1908-16. He had been Engineer to the Ravenglass & Eskdale Railway, and to the Romney, Hythe & Dymchurch Railway.

ENGINEERING ADVISORY COUNCIL

The Minister of Supply has appointed the following members to the Engineering Advisory Council, of which the Minister is Chairman:-

On the Employers' Side: Mr. G. Darnley-Smith (Director, Cinema-Television Limited); Viscount Davidson (Deputy-Chairman, Buenos Ayres Great Southern Railway Co. Ltd.); Mr. C. K. F. Hague (Managing Director, Babcock & Wilcox Limited); Mr. G. S. Maginnis (Chairman & Managing Director, Churchill Machine Tool Co. Ltd.); Sir Robert Micklem (Chairman & Joint Managing Director, Vickers-Armstrongs Limited); Sir Harry

Railing (Chairman & Joint Managing Director, General Electric Co. Ltd.); Colonel H. Riggall (Assistant Managing Director, Ruston & Hornsby Limited); Sir Alexander Ramsay (Director, Engineering & Allied Employers' National Federation); Sir William E. Rootes (Chairman, Rootes Limited); Mr. Mark H. Taylor (Director, Taylor, Taylor & Hobson Limited); Mr. W. R. Verdon Smith (Director, Bristol Aeroplane Co. Ltd.).

On the Trade Union Side: Mr. W. B. Beard (Secretary, United Patternmakers' Association); Mr. H. G. Brotherton (Secretary, National Union of Sheet Metal Workers & Braziers); Mr. F. Foulkes (President, Electrical Trades Union); Mr. J. Gardner (Secretary, Amalgamated Union of Foundry Workers); Mr. H. N. Harrison (National Industrial Officer, National Union of General & Municipal Workers); Sir Mark Hodgson (Secretary, United Society of Boilermakers & Iron & Steel Shipbuilders); Mr. Gavin Martin (General Secretary, Confederation of Shipbuilding & Engineering Unions); Mr. H. R. Nicholas (member of the Transport & General Workers' Union); Mr. J. R. Scott (on the executive of the Amalgamated Engineering Union); Mr. J. W. Stephenson (Secretary, Plumbers', Glaziers' & Domestic Engineers' Union); Mr. J. Tanner (President, Amalgamated Engineering Union).

Secretary: Mr. W. G. Downey.

Mr. Cecil Walter Dansey, Secretary to the local committee of the Central Argentine Railway Limited, who retired from the company's service at the end of last year, was born in the city of Paraná, Argentina, on November 22, 1892. In 1907 he joined the management of the Central Argentine Railway, and in the next year entered the offices of the local committee, in which he occupied a post in the Legal Section, the Chief of which he became some years later. In 1926, after having been Chief of the Land and Works Offices, respectively, Mr. Dansey was appointed Government Agent, and, since 1934, had shared the duties of the Secretaryship of the local committee, with the title of Administrative Representative, until appointed Secretary at the end of 1944. From 1912 to 1929 he was also on the staff of *La Nación*.

We regret to record the death, on March 9, at the age of 76, of the Rt. Hon. Sir Francis Stanley Jackson, G.C.S.I., G.C.I.E., a Director of Beyer, Peacock & Co. Ltd.

L.N.E.R. APPOINTMENTS

Mr. W. Naylor, Assistant Rolling Stock Controller, to be Assistant Passenger Manager, North Eastern Area.

Mr. T. Mathewson-Dick, Technical Assistant to Locomotive Running Superintendent, North Eastern Area, to be District Locomotive Superintendent, York.

Mr. H. Cheetham to be Sheet Factory Controller in the Traffic Stores Superintendent's Department.

Mr. J. J. Finlayson, Assistant Works Manager, Cowlers, to be Locomotive Works Manager, Gorton.

Mr. A. Buglass, Chief Goods Audit Clerk, Revenue Accountant's Office, Newcastle, to be Assistant to Revenue Accountant (Merchandise).

Mr. M. B. Macrae, Senior Assistant for Bridgewater, Area Engineer's Office, Edinburgh, to be Technical Assistant (Steelwork), Chief Engineer's Central Steelwork Office, Kings Cross.

Mr. R. L. Vereker, Locomotive Shedmaster, Mexborough, to be District Locomotive Superintendent, Ardsley.

L.M.S.R. STAFF CHANGES

Mr. T. C. Copland, Marine Engineer, Chief Marine Superintendent's Department, Gourock, to be Superintendent Marine Engineer, Chief Marine Superintendent's Office, Watford H.Q., in place of Mr. D. J. Harris, retired.

Mr. J. W. Pudner, Assistant Superintendent Engineer, Marine Department, Associated Humber Lines, Goole, to be Marine Engineer, Chief Marine Superintendent's Department, Gourock.

Mr. R. C. Flowerdew, District Passenger Manager, Leeds, to be District Passenger Manager, Manchester.

Mr. T. W. Polding, Assistant District Passenger Manager, Euston, to be District Passenger Manager, Leeds.

Mr. J. W. Tonge, Chief Clerk (Personal & General), Chief Commercial Manager's Office, Watford H.Q., to be Assistant District Passenger Manager, Euston.

Mr. E. H. Garfield, District Controller, Saltley, to be District Operating Manager, Birmingham (Midland).

Mr. H. H. Marshall, District Controller, Gowhole, to be Assistant District Operating Manager, Birmingham (Midland).

Mr. J. H. Cornell, Assistant District Controller, Toton, to be District Controller, Gowhole.

Mr. E. L. Rowlandson, Goods Agent, Edge Hill, to be Assistant District Goods & Passenger Manager, Bristol.

We regret to record the death, on March 9, at the age of 58, of Mrs. Mona Marion Balfour Richards, wife of Mr. H. W. H. Richards, Chief Electrical Engineer, L.N.E.R.

FUNERAL OF MR. GEORGE STEPHENS
The funeral service for Mr. George Stephens, Chief of Police, Great Western Railway, 1935-45, was held at the Baptist Church, Church Road, Acton, on March 6. Among those present, in addition to family mourners, were:

Great Western Railway
Messrs. K. W. C. Grand, Assistant General Manager (representing Sir James Milne, General Manager); Gilbert Matthews, Superintendent of the Line; S. G. Hearn, Assistant Superintendent of the Line; W. N. Connah, Secretary, Fishguard & Rosslyn Railways & Harbours (representing Viscount Portal, Chairman, G.W.R., and Mr. F. R. E. Davis, Secretary, G.W.R.); J. W. J. Webb, Assistant to Chief Accountant (representing Mr. C. R. Dashwood, Chief Accountant); R. G. Plowman, Common Law Assistant to Solicitor (representing Mr. M. H. B. Gilmour, Solicitor); C. H. Coe, Rates Assistant to

Chief Goods Manager (representing Mr. David Blee, Chief Goods Manager, and Mr. C. Furber, Deputy Chief Goods Manager & Mineral Manager); M. G. R. Smith, Assistant Engineer, Maintenance (representing Mr. A. S. Quartermaine, Chief Engineer); F. C. Hockridge, Surveyor & Estate Agent; G. E. Orton, Chief Officer for Public Relations; S. Sweeney, Assistant to Hotels Manager (representing Mr. R. A. P. Setterfield, Hotels Manager); Dr. H. H. Cavendish Fuller, Chief Medical Officer; Messrs. A. E. C. Dent, Road Motor Engineer; C. Wye (representing Sir Felix Pole, formerly General Manager, and Mr. J. H. Matthews, formerly Chief of Police); A. S. Mills, formerly London District Goods Manager; Mr. Bowyer, formerly Staff Assistant to Chief Engineer.

Police

Messrs. Arthur Lane, Chief of Police, S. W. Smith, Assistant Chief of Police, and A. S. Leybourne, Assistant to Chief of Police.

G.W.R., also Superintendent J. E. A. Shearing, Inspectors Franklin and Allen and a number of officers of all ranks; Commander H. Young, Metropolitan Police, Scotland Yard; Mr. R. N. W. Wellings, Chief Constable, Windsor; Mr. G. Yandell, Chief Enforcement Officer, Board of Trade; Inspector Dawson (representing Sir H. Turnbull, Commissioner, City of London Police); Mr. J. Birch, Assistant Chief of Police, L.M.S.R. (representing Mr. W. B. Richards, Chief of Police, L.M.S.R.); Mr. E. F. Warren (representing Mr. N. McK. Jesper, Chief of Police, L.N.E.R., Southern Area); and Mr. H. S. Cole, Chief of Police, L.N.E.R., North Eastern & Scottish Areas); Superintendent H. S. Dodson (representing Mr. W. E. Growdon, Chief of Police, Southern Railway); Messrs. P. L. Smith, Chief of Police, and E. J. Dymock, Assistant Chief of Police, L.P.T.B.; Mr. W. Hambrook, ex-Superintendent, Metropolitan Police.

Radio Equipment for the Royal Tour in South Africa

In addition to the radio transmitting and receiving equipment on the South African Royal Train described in our issue of January 31, various other items of communication and public address apparatus have been provided by British manufacturers in connection with the tour. A V.H.F. transmitter and receiver are fitted in the pilot train for communication with the Royal Train, and with signal boxes *en route*. Although V.H.F. communication has been used extensively in Great Britain for police patrol cars and N.F.S. services, this is the first time that such apparatus has been put to practical use in a British-built train. The transmitter and receiver were supplied by the General Electric Co. Ltd., who manufactured many sets working on very high frequencies for use in aircraft during the war.

As mentioned in our article of January 31, amplifiers and loudspeakers are installed in both trains for broadcasting announcements. Further public address equipment is required in connection with the ceremonies at the various stopping places of the Royal Train, and this is sent ahead so that it can be erected ready for operation by the time the Royal Train arrives. There are four of these large transportable installations, which have been supplied by E.M.I. Services Limited. The amplifiers deliver an output of 200 W. sufficient for operating at least 15 outdoor

loudspeakers. Arrangements are made for working on a variety of power supplies according to local conditions. Any normal input between 50 volts d.c. and 250 volts a.c., including the 110-volt a.c. available in some parts of South Africa, is suitable.

Special problems arose from the operation of radio equipment in trains very fully provided with different types of electric apparatus including fluorescent lighting, air-conditioning, and refrigerating plant. Normal methods of avoiding interference were not applicable on account of the limited space within which the radio and electrical gear had to be accommodated, and also because of the lack of a good earth connection. Special suppressor devices were designed, therefore, by Bellring & Lee Limited. Some of these suppressors were fitted to the electrical gear manufactured in Great Britain, and others were installed in South Africa under the supervision of an engineer sent to the country for that purpose. Apart from the specialised methods necessitated by the unusual conditions mentioned above, it was necessary to pay particular attention to the design of condensers capable of operating in high temperatures.

Power supplies for the radio transmitters and receivers on the Royal and pilot trains are taken from two motor generator sets supplied by Philips Industrial (Philips Lamps) Limited.

The Princesses with Mr. F. C. Sturrock

Princess Margaret and Princess Elizabeth with Mr. F. C. Sturrock, South African Minister of Transport, in the engine cab of the Royal Train

Great Western Railway Company

Financial results—Increased charges—Passenger traffic—Movement of goods—Development and research work—Docks and steamboats—Hotels and restaurant services—Staff conditions—Civil aviation—Nationalisation and the Transport Bill

The annual general meeting of the Great Western Railway Company was held on February 14 at the Great Western Royal Hotel, Paddington Station, London, W.2. The Rt. Hon. Viscount Portal, P.C., D.S.O., M.V.O., Chairman of the company, presided.

The Secretary, Mr. F. R. E. Davis, having read the notice convening the meeting,

The Chairman said: My Lords, ladies, and gentlemen: Before I pass to the formal business I regret to have to record the death, in October last, of Sir Percy E. Bates, Bt., G.B.E., after a very short illness. Sir Percy became a member of the board in 1929 and his outstanding abilities, which made him such a prominent figure in shipping and industrial spheres, were of exceptional benefit to the company, especially in the deliberations of our Docks & Steamboats Committee. All of us who were associated with him deeply deplore his death.

Some of you will remember that at our last meeting I referred to the great loss sustained by the company through the death of Mr. F. W. Lampitt, our Chief Goods Manager. We have appointed Mr. David Blee, who was Mr. Lampitt's Principal Assistant, to succeed him.

Financial Results

The accounts are once again in an abridged form sanctioned by the Ministry of Transport, but have been expanded as compared with the years from 1939 to 1945 inclusive to the extent information is now available. The additional information now published includes details of capital expenditure during the year, and the great majority of the statistical tables.

In addition to the fixed annual payment made to us under the Railway Control Agreement, we have brought in this year a credit of £297,466 in respect of balances which have now become available and to which I shall refer later. Interest and dividends from our excluded properties amount to £499,321, an increase of £226,339 over last year. Of this increase an amount of £130,800 is in respect of a special dividend received from the Birmingham & Midland Motor Omnibus Company. Including the balance of £269,305 brought forward from last year and the profit of £245,074 secured during the year on realisation of investments, the amount available for appropriation amounts to £7,981,769 against £7,405,560 last year (when £150,000 was transferred from the contingency fund), an increase of £576,209.

In considering the dividend to be paid on the consolidated ordinary stock, we had regard to Clauses 22 and 23 of the Transport Bill. I shall have more to say later about this Bill, but these particular clauses in their present form provide that for the final period before the proposed date of transfer, consisting of the two years to December 31, 1947, payment of interest and dividends by a controlled railway company shall be restricted to the aggregate for the period of

the fixed annual sum payable to the company under the Railway Control Agreement

and the revenue from the company's interest in certain subsidiary undertakings excluded from operation of that agreement (details of which have in the

case of the G.W.R., been shown separately in Account No. 8 of the accounts published during Government control) after meeting any liability which may arise in respect of agreements disclaimed by the Commission and compensation payments for loss of office.

The effect of these provisions would be to prevent the distribution of any free reserves built up from previous years' profits and thus to nullify the advantage which stockholders would have derived from the prudent course followed by the company in past years. They also prevent any account being taken of other undistributed profits and sources of revenue which would otherwise have been available for appropriation. Examples of such items are the amounts of £297,466 shown in the accounts as now available in respect of the period prior to January 1, 1941, and the profit of £245,074 realised on investments during 1946.

Taking all the circumstances into consideration, however, we feel we can safely recommend a dividend of 3 per cent. for the half-year ended December 31 last, making 5 per cent. for the whole year, with a carry-forward of £845,514 as against £269,305 last year, the increase of £576,209 mainly representing the special items to which I have just referred.

The position in regard to war damage is as I indicated last year; when the liability of the company has been finally determined the most appropriate method of dealing with it will be considered, but the effect on net revenue is not likely to be appreciable.

Net revenue has again been charged with a standard allowance for maintenance equivalent to the average amount charged in the years 1935/6/7 for the repair and renewal of assets of every description adjusted for variation in assets and for increased costs. The amount of these charges from August 31, 1939, to December 31, 1946, which remains unspent and which has been paid into a trust fund, totals £18 millions. In addition, the four main-line railway companies have made representations to the Ministry of Transport that their assets have suffered abnormal wear and tear, and in the case of this company this amounts to approximately £7 millions to the end of last year, based on current prices.

Railway Charges

When on July 1, 1946, the Government decided to raise our charges to 33½ per cent. above pre-war level for passenger train traffic (other than season and workmen's tickets) and 25 per cent. for freight train traffic and season and workmen's tickets, it announced its intention to refer to the Railway Charges Consultative Committee the question of determining the level of charges necessary to produce in 1947 the amount payable by the Government under the Railway Control Agreement. A public inquiry was held and the railway companies were invited to assist the Committee in its task. Financial evidence at the inquiry was given, on behalf of all companies, by the company's Chief Accountant, Mr. C. R. Dashwood, and commercial evidence by Mr. F. A. Pope, Vice-President of the L.M.S.R.

The report of the Charges Consultative Committee has now been published. The

main recommendations are that the rates on passenger train traffic should be raised from 33½ per cent. to 35 per cent. over pre-war, leaving season and workmen's tickets at their present level of 25 per cent. increase; that the rates on goods train traffic should be advanced from 25 per cent. to 30 per cent., and that dock dues and charges, with certain exceptions, should be increased from 40 per cent. to 60 per cent. over pre-war. Although the Minister of Transport announced in the House that in existing circumstances he did not propose to take any immediate action on the Committee's report, but would review the position at the end of March, I would like to point out that, even if full effect was given to the recommendation, the increase in the level of the charges would still be much less than the increase in the level of our costs and in the general level of prices.

Passenger Traffic

The number of passenger journeys originating on the company's system during the past year was over 113 millions. Although this figure is considerably less than in 1945, due to the decline in service travel, it is 21 millions, or 23 per cent., in excess of our carriages in 1938. In addition, season-ticket journeys totalled 40 millions, an increase of 4 millions, or 12 per cent. over 1938. These figures, however, do not reflect the full increase in our passenger traffic, as our passenger-miles—which take into account the distance travelled—show an increase of 83 per cent.

This greatly increased traffic had to be carried with fewer locomotives and carriages than before the war, but I am sorry to say that due to circumstances beyond our control we were, and still are, unable to provide what we should regard as an adequate service for our passengers. Like most other industries, we have been unable to obtain the necessary labour and materials to enable us to make any appreciable headway in overtaking the heavy arrears of maintenance which accumulated during the war period, and the position today is even more serious than last year.

We still cannot get sufficient sleepers and rails to meet our current requirements and, as the condition of our permanent way is steadily deteriorating, it may shortly be necessary to impose further speed restrictions in the interests of safety. Our rolling stock position is also far from satisfactory. We have had to curtail our building programmes in order to concentrate on repairs, and with the present acute shortage of steel, timber, and other materials, it will be some time before we can hope to have sufficient capacity to enable us to meet all requirements.

Notwithstanding our difficulties last year we made some progress in restoring pre-war facilities. The summer train service which came into operation on May 6 included the reinstatement of the "Cornish Riviera" and "Torbay" expresses, and we were able to provide some new services for business men to South Wales, the Midlands, and the West of England, but with a greatly reduced service compared with pre-war, many relief trains had to be run for holiday traffic. We were also able to restore more of our restaurant and buffet-car services, and re-introduce the pre-war arrangements for the reservation of seats on 13 main-line trains to and from Paddington.

The winter train service, introduced in October, was much better than that of the previous winter. Recently, however, these services had to be curtailed to facilitate the conveyance of coal traffic, and at the

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instance of the Minister of Transport 33 main-line and 156 local services have been withdrawn.

Freight Train Traffic

The tonnage of coal together with minerals and merchandise traffic in Classes 1 to 6 originating on the company's system shows an increase of 5 per cent. over 1945. The tonnage of general merchandise traffic, while showing a decrease of 23 per cent. on that year due to the reduction in our carryings for the Services and Government Departments, was still 2,800,000 tons, or 34 per cent., in excess of the tonnage originating on our system in 1938, and, taking our freight traffic as a whole, the total net ton-miles worked over the system last year was 21 per cent. in excess of pre-war.

There was a general improvement in the working of our freight traffic; more express services have been restored and many others accelerated. Special attention has been given to the more rapid discharge of wagons at terminal stations and a considerable improvement was effected in the turn-round, which has been of material assistance in meeting the demands for wagons.

Last year I referred to the introduction in the Birmingham area of the first of the zonal collection and delivery schemes, under which goods train traffic in quantities of less than truck loads is concentrated on selected railheads. By a combination of fast freight train services between the railheads, and regular road motor lorry services throughout the zones, the transit time of small consignments by goods train is considerably improved, with a substantial economy in overall operating costs. During the year, 13 additional schemes were introduced, and since then a further six have been brought into operation, making a total of 20. Eventually there will be 36 zones covering the whole system.

Every assistance has been given by the company's officers to Government Departments and traders in connection with the selection of factory premises and sites required for industrial developments. During the year, 157 sites and premises adjacent to the company's system have been allocated for the development of new industries, of which 118 are in South Wales.

Development and Research Work

I referred last year to various forms of research in which the company was engaged, including the development of a gas-turbine locomotive based on wartime experience with jet propulsion. We have made arrangements with the Metropolitan-Vickers Electrical Company for the construction on joint account of an experimental gas-turbine electric locomotive developing an output of approximately 2,500 h.p., and capable of a maximum speed of 90 m.p.h., and have also placed an order with British Brown-Boveri Limited for another locomotive of the same capacity.

I also mentioned that in view of the position in the coal industry we were conducting experiments with oil-burning locomotives. The experience we gained by these experiments proved of great assistance; when, later in the year, the coal supply position became more difficult, the Minister of Transport directed the railway companies to convert approximately 1,200 locomotives to oil burning so as to save coal. The scheme involves the conversion of 184 of our engines and the provision of 16 oil-storage installations at various places throughout the system. It was hoped that the conversion of these engines would be completed by January 1,

1947, but unfortunately we were unable to obtain the equipment and materials required for the storage installations and so far only 17 oil-burning locomotives have been brought into traffic. Recently we have had again to curtail our passenger services to save coal, and it seems likely that any further improvements in our train services will be dependent on our being able to bring more oil-burning locomotives into service.

With regard to other developments, we are continuing our experiments with new materials for coaches and have completed designs for a prototype coach with an aluminium alloy underframe and a body incorporating light alloys, where a reduction in weight thereby can be effected. We are also experimenting with light alloys and plastics for coach paneling and interior fittings.

Docks and Steamboats

While I am sorry to say there appears to be little prospect of an early recovery in coal exports from South Wales, there has been a marked increase in the exports of general merchandise, and every effort is being made to develop this trade.

During the year the company's steam-boats *St. Julien*, *St. Helier*, and *St. Andrew* were released from Government service. The *St. Julien* and *St. Helier* have been reconditioned and are now in service on the Fishguard—Waterford and Weymouth—Channel Isles routes respectively. The reconditioning of the *St. Andrew* probably will be completed by the end of this month and, in each case, the opportunity has been taken to modernise and improve the accommodation during the process of reconditioning.

I mentioned last year that orders had been placed for two new passenger steam-boats to replace vessels lost during the war. The first of these vessels, the *St. David*, was launched last month and should be ready for service in June. The second vessel, the *St. Patrick*, will be launched in April and completed towards the end of this summer. These additions and improvements to our fleet, I am sure, will be much appreciated by all those who travel on our steamboat services.

Hotels and Restaurant Services

Notwithstanding the many difficulties arising from the present food restrictions, our hotel and refreshment room business continues to expand. The demands for accommodation at our Paddington Hotel and Tregenna Castle Hotel were frequently far in excess of the available capacity. During the year the Manor House Hotel at Moretonhampstead was derequisitioned and renovated and was re-opened to the public on October 1. As I mentioned last year, it was our intention as soon as circumstances permitted to provide additional hotels at Swansea, Cardiff, Birmingham, and Swindon, and to reconstruct the Grand Pump Room Hotel at Bath, which has now been derequisitioned. Schemes have been completed for some of these hotels and others are well in hand, but, in view of the present shortage of labour and materials, I am afraid there is little prospect of these schemes being carried out for some years to come.

Staff Conditions

During the year Mr. Gilbert Matthews, our Superintendent of the Line, received the honour of a C.B.E., Mr. K. J. Cook, Manager of our Locomotive Works at Swindon, was made an O.B.E., and Mr. C. W. Marsland, Electrical Assistant in the Chief Mechanical Engineer's Department

at Paddington, was made an M.B.E. In addition, seven other members of the staff received the British Empire Medal, and a further seven received commendations. I feel sure you will wish to join us in congratulating the recipients of these well-deserved honours.

Agreement was reached in December last between the railway companies and the trade unions providing for the consolidation of the war advance of salaried and conciliation grades into basic rates of pay with effect from July 1, 1946. The amounts of war advance so consolidated were, in the case of male adults, £73 per annum for salaried staff and 28s. a week for weekly paid staff, with appropriate lower rates for women and juniors. The consolidation of the war advance for workshop staff is receiving consideration.

The National Union of Railwaymen and the employees side of the Railway Shopmen's National Council are pressing their claims for a 40-hour week and have submitted a further claim for an increase of £1 a week for all staff in conciliation and workshop grades. The Railway Clerks' Association is also pressing its claim for a 35-hour week and is asking for an increase of £52 per annum for the clerical and supervisory staff. In the case of the Associated Society of Locomotive Engineers & Firemen, a claim is also being made for revised scales of pay for engine drivers, firemen, and engine cleaners, involving a somewhat similar increase in pay, but instead of their previous claim for a 40-hour week they are now asking for a 44-hour week for these grades.

Average Wages

These claims are being dealt with through the national machinery of negotiation, but, as there seems to be an impression that the level of railway wages compares unfavourably with the level in other industries, it may be relevant to point out that the average earnings of adult male railway wages staff in March, 1946, when the last annual census was taken, were 121s. 6d. a week, compared with 114s. 1d., the average weekly earnings of adult male wages staff in the principal industries of the country in January, 1946, as published in the *Ministry of Labour Gazette*.

Approximately 14,600 members of the staff were serving with the Forces on VE-Day, and of these, rather more than 10,000 had resumed duty with the company by the end of 1946. In addition, the company has recruited approximately 9,200 new entrants from demobilised members of the Forces.

The Essential Work Order ceased to apply to the railways on August 31, 1946, and between that date and the end of the year some 6,600 staff voluntarily resigned from the company's service. This loss was balanced by the recruitment during the same period of approximately the same number of new entrants, but there were in addition other staff wastages and additional requirements amounting to 1,800 units which could not be made good. We are still in the transition stage from war to peace time conditions and staff problems continue to present themselves, but the well-earned reputation of our employees, both men and women, for loyal and devoted service has fully been maintained and I should like on your behalf to express warm appreciation of their efforts.

Last year I referred to the Government proposals in regard to air transport, and the Civil Aviation Bill giving effect to these proposals received the Royal Assent on August 1, 1946. After the passing of

this Act the Associated Airways Joint Committee, the controlling body formed by the railways and their shipping partners, continued to manage the air companies with which the railways were associated, on behalf of the new statutory corporation, until February 1, 1947, when the services were handed over to British European Airways.

I am glad to say that, following representations made to the Minister of Civil Aviation in regard to compensation and the future employment of the staff employed by our associated air companies, a satisfactory settlement has been reached. Arrangements have also been made for the facilities previously provided by the railways in conjunction with their associated air companies in respect of ticket inter-availability, passengers' luggage in advance, booking of tickets at railway stations, etc., to be extended as far as possible to British European Airways, and permanent liaison has been set up with the corporation.

The Order in Council applying the Civil Aviation Act to the Channel Islands has not yet been received by the Island States authorities, and, meanwhile, the Channel Islands Airways continue to operate as an independent company under the associate agreement with British European Airways.

Nationalisation

When I addressed you last year at our annual meeting, I told you that it was the Government's intention during the life of the present Parliament to introduce measures designed to bring transport services essential to the economic well-being of the nation under public ownership and control. The Transport Bill which was introduced in October of last year has had its second reading in the House of Commons and is now in the Committee stage. The adoption of that course necessarily limited discussion on the Bill, and opportunities for criticism have been restricted still further as the result of the resolution passed by the House of Commons on Monday last imposing a guillotine procedure.

The stockholders have doubtless taken due note of this. The railway companies and other inland transport undertakings have opposed the Bill and will continue to do so, not only to protect the interest of stockholders and the staff, but because there is nothing in the Bill to indicate the means by which a more efficient and economical transport service is to be provided and the benefits which users are likely to obtain.

Although it has long been recognised that the main transport problem to be solved is that of securing a greater measure of co-ordination between the various forms of transport so that those responsible for the provision of transport services may be able to meet the needs of the public to the best advantage, the Bill contains no constructive plan for dealing with the problem. It merely lays down that it will be one of the duties of the British Transport Commission to work out a scheme of co-ordination, without giving any indication as to the lines on which co-ordination is to be effected and the interests of users safeguarded.

The total market valuation of our undertaking based on the compensation terms set out in the Bill amounts only to about £163 millions. Although it is not possible to give any actual figures of the value of the physical assets which the Government will acquire, it is safe to say they are worth more than the proposed total compensation. Our rolling stock, which stands in our capital account at £22

millions, is estimated to be worth nearly double that amount, after making full allowance for the expired life of the stock and accumulated arrears of repairs.

The strength of our financial position is demonstrated by the balance sheet. In addition to our physical assets our liquid resources amount to some £49 millions, including the investments held by the trust fund. Moreover, a conservative estimate of the market value of our investments in associated road undertakings would be £7 millions compared with the £3 millions shown in the capital account.

The basis on which the exchange values of the railway stocks have been fixed is set out in the fourth schedule to the Bill, and as you will have appreciated, it entails a substantial diminution of income to the stockholders. It is computed by reference to the average of the quotations for the securities appearing in the *Stock Exchange Official Daily List* on six days in November, 1946, with certain minor exceptions, where the quotations on alternative days in 1945 are adopted. Apart from the inherent unfairness of this basis, one would have thought that the Government stock to be given in exchange would also have been computed by reference to its market value on the dates chosen for the quotations of the railway stocks which are to be extinguished.

Although the Council of the London Stock Exchange itself has pointed out the fallacy of using the basis in the Bill, the Government insists on treating Stock Exchange prices as reflecting the operation of the law of supply and demand, but it must be borne in mind that Stock Exchange bargains are between a willing seller, or one whose circumstances may compel him to sell, and a willing buyer, and it certainly cannot be said that the railway stockholders as a whole are willing sellers.

Basis of Valuation

The doubts and uncertainties of recent years render Stock Exchange quotations particularly inappropriate as a basis for the valuation of British railway securities, and if further evidence of the fallacy of adopting the Government basis were needed, it is apparent in the case of our debenture stocks. The five classes of this stock all rank *pari passu*, but the reduction in income will vary from 4½ per cent. in the case of the 2½ per cent. debenture stock to nearly 29 per cent. in the case of the 5 per cent. debenture stock.

The rent charge, guaranteed, and consolidated preference stocks, which have always received the due rate of 5 per cent., are dealt with even more severely, their respective annual losses amounting to £1 10s. 2d., £1 11s. 6d., and £1 17s. 5d. on every nominal £100 of stock, whilst the ordinary stock—which for 77 years has received an average dividend of nearly 5½ per cent.—gets this reduced to £1 9s. 6d. per cent.

The net result of the proposals in the Bill is that the stockholders will be deprived of £18 millions per annum—which incidentally will mean a loss to the Exchequer of about £8 millions—and whether the saving effected at their expense will benefit the users of transport to any material extent or be absorbed mainly in additional costs is certainly problematical.

To sum up our views on the Transport Bill, I cannot do better than quote from the speech I made in the House of Lords when the King's speech was being discussed, in which we were told that the Transport Bill would be in the Government's legislation.

"The amalgamation of the various rail-

way companies into the present four groups under the Railways Act, 1921, took five or six years to accomplish. To carry out another far-reaching scheme, such as is now proposed, must take a long time. We have been told by everybody in this country, from the Prime Minister down, that this is the time when we must try to increase our production and our exports and to get industry on its legs again. Is this, then, the moment to make such a drastic change in transport as is now foreshadowed?"

Needs of Today

If I said this on November 13, with how much more force do these words apply now when we are facing a situation which will necessitate all our united efforts to carry the fortunes of our country back to normal channels. We cannot afford to risk the whole future of our industry by making drastic changes of an experimental nature at the most critical time of our history, and whatever the merits or demerits of nationalisation, there can be no doubt that the most urgent problem is to make good the heavy arrears of maintenance which accumulated during the war period, and to restore our pre-war standards of operation. If the present shortage of labour and materials could be overcome, the Great Western Railway Company would be able to finance any development schemes likely to be required during the next five years.

The railways are still under the control of the Government, and in our view, before any changes are made there should be a public inquiry to determine the future of our transport industry with the view to ensuring that the best system is devised to meet the needs of the public and industry.

Whatever the future may hold in store we shall continue, as long as we are permitted, to run this great undertaking with its traditions of over 100 years, in the best interests of the public whom we are privileged to serve and with every regard for the well-being of the staff and the duty which we owe to the stockholders. We can look back with justifiable pride on the history and achievements of the company throughout the long period of its existence and can only hope that its past record may continue to inspire whoever succeeds us in the control of its destinies.

After I have moved the resolution with regard to the adoption of the report and accounts, I shall be very pleased to deal with any questions, or try to, which you may wish to raise. I now beg to move that the report of the directors and statement of accounts for the year be adopted, and I will ask the Deputy-Chairman to second that resolution.

Lord Dudley: Ladies and gentlemen, I have very much pleasure in seconding the resolution.

Stockholders' Remarks

Mr. Ernest Short said he was speaking on behalf of the Combined Committee of the stockholders' unions which were supporting the board in its fight against the Transport Bill. This Bill was a bad thing for the nation, and the compensation which was to be paid for the properties of the stockholders was nothing less than scandalous.

It would have been easy to devise a scheme which, though it would not have been generous to stockholders, at least would not have been grossly unfair, and he referred to proposals which would have achieved this object. He also mentioned the arrangement between the Argentine Government and the holders of Argentine railway stock which provided for a payment of £25,000,000 more than the Stock

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Exchange price on the day the bargain was made. If the same scale had been applied to the Transport Bill, the amount of Government stock would have been almost £300,000,000 more, and that was the difference between a bargain forced on stockholders and a bargain as between willing buyers and willing sellers. He concluded by asking all stockholders to help in making a success of meetings which his committee was holding throughout the country in opposition to the Bill. There was no reason why they should be defeatist in their attitude towards the Bill.

Captain W. R. H. Jenkins asked if the stock with which the debenture holders would be bought out was going to be subject to redemption or conversion.

Miss C. A. Mortlock-Brown pleaded for a better service between Taunton and Barnstaple, and for more travelling amenities for non-smokers.

Mr. H. C. Holder asked that the board and the stockholders should continue their opposition to the Bill, although he was conscious of the difficulties of this course while the Bill was in the House of Commons. He hoped, however, that the House of Lords would take a stand on the Bill, as it was manifest that the people did not want it. He was of opinion that the railways would not be run as well by the State as they were by their present owners, and he gave examples of the efficiency of

the railways which had come to his notice both as a passenger and as a supplier of commodities.

Miss Olive F. Matthews referred to the housing of the employees of the company and particularly to the difficulty of finding alternative accommodation for retired staff. She asked the company to build small cottages for those people, so that accommodation might be freed for younger married employees with families.

Mr. D. G. Ryder asked why, as the measure before Parliament was only a Bill, the dividend could not be increased in spite of it.

Mr. E. J. Martin inquired if any endeavour was to be made to obtain security for the staff, which the company had always held in great esteem.

The Chairman's Reply

The Chairman, in reply to Captain Jenkins, said that the exact terms on which the Government stock would be issued had not yet been made public. The suggestions made by Miss Mortlock-Brown had been noted, but at the present time the company was not as free to improve the running of traffic, as it would like to be. The important matter of the housing of employees, raised by Miss Matthews, was always before the board, and the suggestions she had made had been noted. The company had been

pressing very hard since the end of the war that it might get on with the building of its own houses. So far, however, it had been unable to do so. In reply to Mr. Ryder, Lord Portal said the Bill was retrospective in effect and the directors would have to assume responsibility for any distribution in excess of what was provided in the Bill. Reference had been made to the House of Lords, but he could not at this meeting discuss the powers of that House or express any opinion on what views it would take on this Bill. The question of the security of the staff was being looked after to the best of the directors' ability, and amendments to the Bill in this connection were being proposed.

The resolutions for the adoption of the report and statement of accounts, the payment of dividends, re-election of directors, and the appointment of members to the audit committee were proposed, seconded, and carried unanimously.

After the conclusion of the business of the meeting, Mr. Ernest Short pledged the continued support of the proprietors to the board in the steps it was taking in opposition to the Transport Bill and called on the directors to continue their efforts to defeat the confiscatory clauses of the Bill.

Mr. Rupert Phillips proposed a vote of thanks to the Chairman, which was carried with applause.

Southern Railway Company

Financial accounts—Balance sheet strength—Rolling stock output—New vessels—Tribute to staff—The Transport Bill—Effect on railway officers—Impractical organisation—Compensation terms—Reduction in income

The annual general meeting of the Southern Railway Company was held on March 6 at Wigmore Hall, Wigmore Street, London, W.I. Colonel Eric Gore Browne, Chairman of the company, presided.

Mr. S. E. Clark, Deputy-Secretary, having read the notice convening the meeting,

The Chairman said: My Lords, Ladies, and Gentlemen: When we last met I referred to the momentous issue which you, as owners of this great undertaking, and we, who are your trustees, would have to face in the year 1946; and to the decision of the Government to nationalise inland transport. I told you that in the event of a Bill being presented to Parliament to give the force of law to this decision, it would be the clear duty of this board to use our best endeavours to ensure that the compensation which you would receive was reasonable, fair, and adequate. I also told you that, in our view, we had another duty too as citizens of this great country, so far as in us lies to oppose what we regarded as a retrograde step in the development of a great public service, and not to relax our efforts until the Government's plan was produced and we were satisfied that its provisions were in the public interest as well as in yours.

As you all know, the Transport Bill is now before Parliament, and before I do my best to give you, in the time at my disposal, our considered views on the provisions of the Bill, I will, if I may, deal with the accounts and give you some details of last year's working and the plans which we have made for further improvements to the Southern Railway which is still your property.

Before dealing with the accounts, I should like to draw your attention to the fact that they no longer bear the signature of Mr. R. G. Davidson. Mr. Davidson re-

tired from the position of Chief Accountant on April 1, 1946, after a long career during which he had taken an important part in four upheavals of railway accounting—the Accounts & Returns Act of 1911, the Government control in the first world war, the amalgamation resulting from the Act of 1921, and the Government control in the recent war. He was also a director of seven of our associated bus companies. We all wish him a happy retirement. In his place as Chief Accountant, we have appointed his assistant, Mr. W. J. Sawkins: I am tempted to refer to him in the one-time classic heading of the provincial newspaper, "local boy makes good"; for he came to us on amalgamation from the Isle of Wight Central Railway, which had a capital of under £2 million, and by making the best of the opportunities which the Southern Railway has always given to its younger men, he has now become Chief Accountant of our undertaking, which has a capital of £170 millions. We have every confidence in him.

Financial Accounts

Now, in regard to the accounts, I owe you an apology. In consequence of the fuel crisis, our printers were unable this year to produce the abridged form of accounts which, since 1930, it has been our practice to send to all proprietors not less than ten days before the annual general meeting. I am sorry that you have not had the usual opportunity to study these accounts before they are presented to you. They are now in your hands, and may I assume that, as usual, you will wish them to be taken as read?

The accounts, with the sanction of the Minister of Transport, have been somewhat extended, and the statistical returns have been reintroduced so far as the in-

formation is available. The financial statements are in the abbreviated form necessary during control, with the addition of Statement No. 5—Details of Capital Expenditure During the Year—and No. 7—Capital Powers Available to Meet Further Capital Expenditure. During control the receipts on interchanged traffic are not allocated between the companies, and similarly there is no settlement of working expenses incurred by one company on behalf of another. It is not possible, therefore, to show the receipts and expenses of each company separately. Each year the Minister of Transport issues a White Paper showing the receipts and expenses of the controlled railway companies as a whole.

The restored financial statement No. 5 shows that our expenditure on capital account during the year was £25,360—mainly attributable to additional equipment at Southampton Docks.

Statement No. 8—Revenue Receipts and Expenditure—shows that the net revenue for the year is £7,184,536, an increase of £195,235. The net revenue includes the annual sum of £6,607,639, to which we are entitled under the control agreement, together with £300,000 payable by the Government, representing the interest on £7½ millions debenture stock which we issued in 1939. Our net revenue also comprises revenue for the year arising from undertakings excluded from the provisions of the agreement—dividends from investments in road undertakings, which show an increase of £92,235.

During the war it was deemed expedient, as a matter of financial prudence, to make certain provisions out of the revenue available for distribution for liabilities which, it was anticipated, might arise in the future. In existing circumstances, it is considered that it is no longer necessary to make these provisions.

After meeting the interest on debenture stocks, dividends on preference stocks, and the full 5 per cent. on the preferred ordinary stock, the balance available for dividend on the deferred ordinary stock is £878,556. A dividend of 2½ per cent. is

recommended, which will absorb £865,982 and leave £12,574 to be carried forward to 1947. For the year 1945 a dividend of 2 per cent. was paid and £67,795 carried forward.

The Transport Bill—which I will deal with in more detail later—if it becomes law, will determine what revenue of the railway companies will be available for distribution in the final period, that is, the years 1946 and 1947. Our net revenue has been computed having regard to the provisions of the Bill. Thus, the dividends you are now asked to approve for the year 1946, in effect, will be a payment on account of the two-year period. But if the Bill becomes law in its present form, at the end of the year 1947 we shall have to leave undistributed a balance not less than the £67,795 brought forward at the beginning of 1946.

Balance Sheet Strength

Turning to the liabilities side of the general balance sheet—No. 19—the item miscellaneous accounts is £22 millions. Included therein is £11 millions reserve for arrears of maintenance repairs. Under the control agreement we are entitled to charge as "standard maintenance" the average amount expended in the years 1935, 1936, and 1937 adjusted in respect of increased costs and any variations in the assets maintainable. This £11 millions represents money which, because of war and post-war conditions, we have been unable to expend on repairs.

In addition, under the heading of renewal funds, we have nearly £13 millions for renewing our "railway" assets (way and works, rolling stock, etc.), £3 millions for steamboats, and nearly £2 millions for other businesses (docks, hotels, road vehicles, etc.). There are improvement and contingency funds amounting to nearly one million pounds and a general reserve fund of half-a-million pounds.

Is this the balance sheet of a concern which could not continue to serve the public with satisfaction and face the future with confidence?

Now may I turn to the record of last year and to the plans which we have in view. Some of my correspondents have asked: "Why, as things are now, have you made any plans? Is not your only duty to protect your stockholders' interests?" We feel it necessary to take a wider view, and have always regarded your undertaking as a servant of the public. In the result, it may be that if the Southern Railway is taken over by the State, the Chancellor of the Exchequer, who with his unequalled gift for the disagreeable in his public utterances described the railways as "a very poor bag of physical assets," will in our case be agreeably surprised.

You will recall that, on this occasion last year, I referred to our programme of development as the dawning of a new era and hoped at this meeting to be able to report progress and achievement. Progress there has been, achievement there has been, but only by the continuous efforts of our officers, which were rendered necessary by dwindling supplies, shortage of labour, and rigid controls. The efforts made to restore the system to the standard of 1938—and to improve on that standard—have received a crippling blow by the fuel crisis into which this country has now been plunged, and the efforts of which will be felt for many months to come.

The rolling stock output of our works in 1946 was 32 "West Country" type main-line steam locomotives, 52 steam train coaches, 127 electric train coaches,

and 1,162 wagons: over and above these purely Southern vehicles, we built in our works 613 wagons to assist our friends on the London & North Eastern Railway.

During the war, our carriage shops concentrated on work for the Forces, to the exclusion of coach building. To overtake the arrears, we decided to supplement our own construction capacity by placing an order with an outside firm—a practice which we adopted from time to time before the war. The result has been most discouraging. No vehicles from this source have so far been delivered, because of shortage of materials and the demands of the export trade.

The passenger rolling stock for steam trains now includes sets of trains of new design, incorporating the features of the exhibition prototype coach which I mentioned last year, and modified to meet the suggestions of the public. The electric coaches for suburban trains are those of the wider type, with a larger capacity. Now, however, the grave shortage of sheet steel and the cessation of supply of the many components we need have checked the output of new, and the repair of existing vehicles. For that reason a deficiency of passenger rolling stock will be experienced on our suburban business and our holiday services for some time to come.

Civil Engineering

On the civil engineering side, we can record a satisfactory year's work. Thirty acres of glass in station and depot roofs have been replaced and much-needed renovation work has been carried out at 65 stations. Notable war damage restorations include the first stage of Portsmouth Harbour Station, and the signal box and bay platforms at Blackfriars. The introduction of new methods and plant has resulted in increased ballast output from our Meldon Quarry and concrete products from the shops at Exmouth Junction.

Renewals of 153 miles of track have been carried out: the sleeper supply, however, is giving great anxiety, and the enforced slowing down of our trains because of the resulting arrears of track maintenance may be inevitable this summer.

Of our docks activities, I am glad to tell you that work has started at Southampton on two important projects. The first is the new terminal at the Ocean Dock primarily for the *Queen Elizabeth* and the *Queen Mary*. It will be on two floors, provided with every facility for the comfort and convenience of passengers and will have an island platform to accommodate two boat trains. I have no hesitation in saying that this will be the finest dockside terminal in the world. Incidentally, a complementary scheme is being developed for this traffic at Waterloo. The second dock activity is a new cold store in the new docks in replacement of the one in the old docks destroyed by enemy action. This will be leased, as before, to the International Cold Storage & Ice Co. Ltd.

New Vessels

Further vessels of our fleet have been returned to service after war duties. Here again, we are adversely affected both in our own marine workshops and in contractors' yards by the prevailing labour conditions and supply shortages. During the year, the *Invicta*, which was delivered in 1940, entered our service on the Dover-Calais route: her gross tonnage of 4,178 entitles her now, after a great record of war service, to take pride of place as our

largest unit afloat. Passengers have shown their appreciation of her five decks and the other new amenities which she provides.

I told you last year of three orders for new tonnage which we had placed in 1945: they were a cross-channel turbine passenger ship, which we have named the *Falaise* in honour of the great allied victory in Normandy in 1944, a cross-channel diesel cargo ship, the *Winchester*, and an Isle of Wight diesel-electric car and passenger ferry, the *Farringford*. Deliveries are somewhat delayed, but, with the co-operation of our shipbuilding friends, William Denny & Bros. Ltd., we hope to see them all in service this year. Orders were placed last year for three other ships—two diesel passenger vessels for the Isle of Wight—the first ships without paddles on the Ryde route—and a cross-channel passenger ship to bear once again the honoured name of *Maid of Orleans*.

We are now in course of converting our cross-channel passenger steamer—the s.s. *Dinard*—into a carrier of motor-cars and accompanying motorists on the short sea routes. This will be a marked advance on anything previously available for this traffic, and we hope she will be ready for this summer.

Now I should like to give you a brief account of the use which we have made of our restricted material resources. By October of last year we had built up the passenger train service to 84 per cent. of what it was before the war: the service during the business hours had been reinstated in its pre-war volume. Bearing in mind that our peacetime services for business and holiday traffic had perhaps the highest frequency of any main-line railway in the world, this was an achievement of which all concerned, management and staff alike, may well feel proud. The summer traffic last year was unparalleled.

We ran no less than 3,412 relief trains over and above the booked service. Time-keeping, as I regret you all must know, is not up to our standard. There are several factors to account for this deficiency of service: arrears of maintenance of locomotives, inferior quality of coal, and failure of signals as a result of low frequency in current supplies. Our officers and staff have not been discouraged by these adversities and, by midsummer last year, had succeeded in running 94 per cent. of passenger trains on time or not more than five minutes late. It has not been possible to maintain these results under winter conditions, though the average late arrival is only one-half the figure for last midwinter. The present fuel crisis, to our regret, has brought a marked recession both in service and in punctuality.

Restored Trains

Notable trains which we have been able to restore in conjunction with the Pullman Car Company have been the "Golden Arrow"—one of the most famous international services in the world—and the "Bournemouth Belle." Seat reservations and cheap day tickets have again been made available on as wide a basis as our staff and equipment will permit.

I should tell you about the Southern Railway Staff Training College which we have opened in a country house at Hook Head, near Woking. To it, come our railwaymen in groups of twenty for the various courses on railway subjects. The students are selected by their departmental chiefs and the normal course is four weeks. It is our hope that the students who pass through the college will benefit from a broadening of their outlook and by four weeks of close association both in work

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and in play with Southern Railway colleagues. In the result, they will be better equipped not only to perform their present duties, but to fill positions of higher responsibility when opportunity offers. No promises of promotion are made, but we impress on our railwaymen students that "it is only when knowledge is sought for her own sake that she gives rich and unexpected gifts in any abundance to her servants."

Further Improvements

You will be interested to hear something of other projects which we have in mind. You will have read of our proposals for further electrification; we have already 720 route-miles (a third of the total) equipped for electric traction, and more than half of the train-miles are so worked. Our General Manager and the officers associated with him, for some time have been preparing plans of extension, and, in the summer of last year, we sent a small party of young officers to America to study there the development of the diesel-electric locomotive. We have now approved in principle a scheme which provides for the completion of electrification of the main lines on the Central and Eastern Sections and for the working of subsidiary and branch lines by diesel-electric engines.

Another scheme is for the replacement of the lock and block working with semaphore signals by colour-light signalling over a considerable mileage of track near London on the Brighton main line. This is in conformity with modern practice. We have already 146 route-miles so equipped, and this form of signalling facilitates the operation of a dense train service and is a considerable aid in fog. This new installation, which is estimated to cost £1,193,500, covers a further 23 route-miles and will run from below London Bridge and Victoria through Croydon to Coulsdon.

It is again my privilege to tell you of further national recognition of Southern Railway men. Since the beginning of last year, there have been awarded to members of our staff, two M.V.Os, one C.B.E., three O.B.E.s, five M.B.E.s, twenty B.E.Ms., and three Medals of Freedom of the U.S.A. All these are apart from awards to our staff serving with the Forces.

Tribute to Staff

Here may I pay my tribute to the Southern Railway staff, men and women, many of whom I am proud to call my friends? The horrors and hardships of total war in the most vulnerable part of our Island Kingdom, have been succeeded by a demand for increased effort and, in the last few weeks, by the rigours of this hard winter. All through this long strain they have carried on and done their utmost to deliver the goods in spite of every handicap. I realise full well the conditions under which they have had to work.

The Transport Bill

I now come to a consideration of the Transport Bill. Before I examine its terms I wish to make some general observations. At the annual general meeting last year I accepted one challenge and issued another. You may remember that we had been told by an eminent spokesman of the Government that: "It is up to the nationalisers to prove their case that there will be public advantage by nationalisation." I said:

(i) "That your board accepts the challenge to prove the case for private ownership before any impartial committee or commission which the Government may

think well to appoint and charge with the duty to examine the efficiency of the Southern Railway" and (ii) "that your board challenges the Government to prove that by nationalisation of surface transport a better or cheaper service will be given to the public or that the salaried or wages staff will be better off."

I said also that it is a principle of English justice that a man is held to be innocent until he is proved to be guilty, and I asked whether it was unfair to claim the same privilege for a public utility company with our record. But the truth is that our existence in our present ownership violates a political doctrine of one of the parties in the State, and for that reason, and that reason only, the noose has been placed round our necks and we approach the scaffold without having been given a hearing.

I have always thought that the Southern Railway represented private enterprise in its finest form. Year after year since its inception, the Chairman of this company has been able to come before the meeting of proprietors with a stirring story of work achieved and of great developments to come—electrification projects and docks extensions, programmes of locomotive, rolling stock and steamer construction, station re-construction schemes, new signalling installations, and improvements and progress all along the line—enterprises which, I am proud to think, have made the Southern famous for its efficiency and its imagination and which paved the way for its greatest work—its memorable achievement in the war just ended. Even amid the nightmares of war we still had our dreams, so that peace found us planning again some new adventures. We have been able to do all these things because the Southern Railway has been built up by men and women who were proud of their company and who loved it, people devoted to a cause to which, in all ranks, they brought all they had of loyalty, skill, and industry.

I am sure that our staff feel that sense of regret which accompanies the break-up of a family, for it is as a family that we of the Southern Railway have always worked together. This feeling of comradeship and personal pride in achievement is threatened by the extinction of your company, and no one can gauge what this may mean either to the transport industry or to the country. The call today is for increased effort. I doubt whether the British Transport Commission will be capable of inspiring in its staff that sense of trusteeship of its good name and that pride of membership which we on the Southern Railway have always cherished as one of our greatest assets.

Effect on Railway Officers

Now what does this Bill mean to the railway officer? His lot is today one of anxiety and strain, of contending with problems which did not exist at all before the war, or, if they did, did not then present the difficulties which they do at this time. He is harried and checked by shortages of coal, electricity, manpower, materials, rolling stock, and locomotives. He is constantly wrestling with difficulties which arise from the inevitable wartime deterioration of all our assets, and particularly of the permanent way, locomotives, and rolling stock. He has to provide day-to-day services and, at the same time, continually to be planning for the future. On top of all this comes the Transport Bill with all the anxiety which it creates for the future of his railway and the future of a service to which, despite all changes, he

must still look for a career. Now, ever since 1939 our officers have been called on to give unceasing and exacting service, and the period since the war has been hardly less exacting than the war years themselves. The re-establishment of peacetime facilities in the present conditions has taxed them to the utmost.

The uncertainties and problems of this ill-conceived measure are adding a burden which only those of us who are closely associated with them can possibly estimate, and it is a burden which they ought not to be called upon to carry at this critical time in our country's history. I know that I speak for all of you when I say that we thank them, we sympathise with them, and we wish them well, and this is not a formal tribute. You will appreciate the value of a loyal, efficient, and hard-working staff in any enterprise, small or large, private or public.

Problems of Transport

It is the men who count, the men who make or mar the plans, and as bad a scheme as that detailed in the Transport Bill can have a chance of success only if the Government can enlist such men as we have had as our officers, and provide them with the inspiration, devotion to duty, and sense of responsibility which private ownership, although it may have its faults, has been able to instil. But the problems of transport are constantly changing, and these problems, in my view, demand the constant and unremitting attention of technical experts with enterprise and imagination in close touch with reality.

This Bill is followed by the "Economic Survey for 1947," which, after stating that during the war the railways carried nearly 450 million ton-miles of traffic a week, that they are still carrying nearly 400 million ton-miles compared with 326 million ton-miles a week in the summer before the war, to say nothing of a steadily increasing number of passengers, goes on to allocate to railways a fraction of 15 per cent. of the country's capital equipment programme and to reduce transport manpower by 3,000!

Now we, like all transport experts, know that further steps towards co-ordination of British transport must be taken, but we know also that any such co-ordination must be carefully thought out in the light of experience, particularly as British transport has grown up in separate and competitive units. As you all know, the railway companies in conjunction with the road operators have produced a scheme of co-ordination, which, while not claiming to solve all problems, does meet most of the objections to the present system of transport in this country and, at the same time, preserves that healthy competition which, in my view, is vital to efficiency. We claim that this scheme is the best yet put forward, and that no better one is likely to emerge unless the whole matter is remitted to a thorough inquiry by the finest brains which this country can produce. It is significant to note that our scheme has received the whole-hearted support of the traders who use the transport system. It may be thought that any Government at least would have studied the scheme, put forward as it was by experts, and would not have dismissed it with the cold and confident rejoinder: "We have other plans."

Very well then, what are those plans? We have the Transport Bill, but the Bill as it stands solves no transport problem. In effect, it passes these problems to five men to be appointed by the Minister, and

they are to be men who have had "wide experience and shown capacity in transport, industrial, commercial, or financial matters, in administration or in the organisation of workers." If you look round the boards of the main-line railway companies you will, I think, find that all these qualities are already represented.

Is this a plan? And is this the time?

This country surely has problems enough and burdens enough to carry in its fight for existence without adding to these problems and to these burdens a complete upheaval of transport which, in my view, must follow for many years to come if this Bill becomes law.

Without the Bill we have at least ten years of hard work before us in the rehabilitation and reconstruction of our industry. If the Bill goes through, those ten years will be taken up in adjusting the transport system to its requirements. Each is in the nature of a revolution in itself and every instinct warns us that we cannot hope to accomplish two revolutions simultaneously. Rehabilitation is an immediate necessity if this country is to survive; nationalisation is an experiment which may or may not be worth while considering when the battle for survival is won.

In the meantime we have this Bill and we must reckon with it. The organisation proposed in the Transport Bill has been so much discussed in the Press that I will do no more than remind you that it consists of a British Transport Commission, four Executives, later to be increased to five by the setting up of a Hotels Executive. There are also to be a Central Transport Consultative Committee (with area committees) to consider complaints about services and facilities, and a Transport Tribunal to settle charges.

Minister's Powers

The first objection which we raise against the Bill is the vast power which it places in the hands of the Minister himself. He appoints the members not only of the Commission, but also of the Executives, the Central and Users' Transport Consultative Committees (which he may also abolish), and the Transport Tribunal.

He may give general directions to the Commission on matters affecting the "national interest" (the scope of these words seems without limitation) and the Commission must act on lines laid down by him in framing programmes of re-organisation or development involving substantial capital outlay, and obtain his consent before acquiring transport undertakings by agreement.

He may require the Commission to discontinue any of its activities or dispose of any part of its undertaking.

He is to approve all co-ordination schemes for passenger transport or for port facilities.

He may direct the Commission to prepare charges schemes for submission to the Transport Tribunal and he can require that Tribunal to review such schemes; moreover, the Tribunal is not to do anything inconsistent with directions given by the Minister to the Commission.

He may exempt the Commission from statutory provisions as respects undue preference.

His consent is necessary (as well as that of the Treasury) in the exercise by the Commission of its borrowing powers.

He can give the Commission specific directions regarding their reserves and settle the form of their accounts.

He has numerous other powers, but I think I have mentioned enough to show that he has, in effect, dictatorial powers

over the whole transport of this country.

Since the Ministry of Transport was formed in 1919 there have been no less than sixteen Ministers of Transport. Continuity of policy is essential to success in any great undertaking, and picture to yourselves the position of a future Minister of Transport armed with these vast powers and subject to all the uncertainties of political life! His position is transient and his power immense—surely an impossible combination.

Large Staff Required

Our next criticism of the Bill arises out of what I have just said. It is that, in the exercise of his wide powers, the Minister will require a large staff with all that this means in delayed decisions. It is, moreover, not only the Minister who will require a staff. The Commission and Executives will also require many assistants. I foresaw that the duplication of functions and the by-passing of responsibilities and decisions will so clog the wheels of administration that the name "Transport Ministry" may become a contradiction in terms. And I have not mentioned the heavy cost in salaries of these duplicated or triplicated staffs and the serious loss to the country in productive manpower.

The third objection to the Bill, and possibly one of the greatest, is that, in its present form, it sets up what is virtually a complete State monopoly in transport. The argument of its supporters is that if there is to be a monopoly, it should be a public one. Our reply is that there ought not to be a monopoly at all. The Road-Rail Scheme, to which I have already referred, not only leaves the "C" licence holder the right to move his own goods in his own vehicles if he wishes to do so, but also leaves everybody else the right to choose between road and rail which he may not be able to do under the Bill. It preserves the spur of competition—competition in services offered—without which the incentive to efficiency and the spirit of adventure must surely die. And the Government in taking supreme control of railway and road haulage undertakings removes the last real chance of competition and threatens to put an end to the freedom of the individual trader to choose his own form of transport. It is only left now for private cars and taxis to be nationalised or abolished and the consistent Socialist ideal for transport will be achieved.

"A democratic Government must conduct its economic planning in a manner which preserves the maximum possible freedom of choice to the individual citizen." I quote again from the "Economic Survey for 1947." It is difficult to reconcile the Transport Bill with this laudable aspiration.

Impracticable Organisation

Our fourth objection to the structure of the transport organisation envisaged in the Bill is that it is indefinite and, we believe, impracticable. The purpose of the Bill is stated to be to integrate transport in this country and to extend and to improve it, but to those who have some knowledge of the intricacies of the problem, the organisation proposed seems unlikely to achieve this end. The responsibility for policy will lie with the British Transport Commission, but the five Executives, in which will rest the technical knowledge of transport, on which the Commission will largely have to rely, will be appointed, not by the Commission, but by the Minister.

The functions and responsibilities of the Executives themselves are largely unde-

fined. We do not yet know if the Railway Executive will control railway-owned docks, steamers, and hotels, or whether these are to be transferred to the Docks and Hotels Executives. If the latter, how will they be separated from the railway undertakings of which they form an integral part? The Railway Executive, in any case, will be responsible for an undertaking which experience has shown will be many times too large for efficient management. Co-ordination—that word so beloved by the Government and which has been hyped—it can be carried too far.

There is a limit to the size of an undertaking if it is to function efficiently, and if, as we believe, the Southern Railway as it now stands is an appropriate size for satisfactory administration, the Railway Executive will be charged with control of an undertaking which must be far too large to be healthy.

If the widespread criticisms which have been directed to the Bill eventually prove justified, it will be the Minister and the Government who will bear the responsibility, but we must remember that it will be the public which will suffer and which will foot the bill.

We object to the lack of suitable provision in the Bill for the protection of the staff. In the Railways Act of 1921, by which the four grouped railways were brought into being, it was provided that compensation was to be paid to an officer or servant who was transferred and who, as a result, suffered any loss in respect of conditions of services as a whole (including tenure of office, remuneration, gratuities, superannuation, and sick fund) or any benefits whether obtained legally or by customary practice. Any dispute arising was to be referred to an arbitrator appointed by the Lord Chancellor. In the Transport Bill the Minister may act without reference to anybody in making regulations regarding compensation for officers and servants adversely affected. We believe that the basis of compensation for officers and staff who may be prejudiced should not be left to the discretion of the Minister. The State, under the Transport Bill, should not be allowed to provide less security for the staff than private enterprise has done. Am I wrong in thinking that those who have been misled by years of propaganda into taking the view that the salaried and wages staff will at once be made much better off by nationalisation will have a sad awakening if this Bill goes through?

Now I come to the objections to the Bill which affect you personally as stockholders. I refer to the clauses dealing with the compensation terms or, as they have been described in some quarters, the confiscation clauses. You will find in paragraph 5 of the report a statement showing the proposed exchange values of the various stocks of your company. I do not intend to take up your time by reading these figures, though I would like to offer a word of explanation, and, indeed, warning, in connection with them. Under the Bill, the amounts of Government stock which railway stockholders are to receive are to be equal in value to those shown in the statement "regard being had to the market value of Government securities" on the date of issue. I ask you to note these last words, since they may affect the actual amounts of Government stock issued to you. The amounts of Government stock which you receive will not necessarily be those shown in the statement. The amounts and the rate of interest which they will carry will depend on the value of Government credit on the date of issue of the Transport Stock.

Now, so far as the compensation terms themselves are concerned, I will deal with them under three headings: first, the method which the Government has adopted, that is, Stock Exchange quotations; secondly, the effects of the proposals on you as railway stockholders; and, thirdly, the kinds of people who are affected.

So far as the method of arriving at compensation is concerned, even if a member of the present Government had not made a specific promise, which, in fact, he had, that fair and reasonable terms would be offered, it was to be supposed that nothing less than fair and reasonable terms would have been provided in this country where fair play down the ages is our proud tradition. We do not question the right—although we may question the wisdom—of any Government to acquire any form of property by Act of Parliament, but we do dispute the right of the Government to over-ride the rights of the owners of property to reasonable compensation. And "reasonableness" we believe can be defined only by an examination of all relevant circumstances by an impartial body—in other words, by arbitration. The Government claims that it has submitted the matter to arbitration—the arbitration of Stock Exchange quotations, though it is significant that the Council of the Stock Exchange itself has repudiated this method.

Railways and the Stock Exchange

The fact is that Stock Exchange prices are particularly irrelevant in so far as railway stocks are concerned, since these prices have been depressed in no small measure by political considerations and the anticipated future activities of the present Government. The alternative of prices ruling before the election are equally unacceptable, as they were then almost as much under the influence of politics as they were in November, and there has also been a substantial change, adverse to you, in market rates of interest since that time. Are not the stockholders entitled to be given the option of the basis of pre-election Government credit if they are to be offered the basis of pre-election market prices? But apart from the political influence on railway stocks in particular, is it right to equate the sale value of a whole undertaking to the Stock Exchange prices of its stocks? It would conflict with all sound principles of accountancy if companies constantly wrote their capital up or down on fluctuating profits or market quotations. Yet, under the Government proposals, main-line railway capital is to be written down from £1,101,051,906 to £907,783,706, that is, by £193,268,200 on the basis of Stock Exchange prices ruling on specific dates.

There has also been widespread and deliberate misrepresentation about railway stockholders. They are neither few in number nor are they generally wealthy. The majority of railway shares are held by or on behalf of people of small means for income purposes, and it is the income-producing aspects of the Government's proposals which, to use the words of the Moneylenders' Act, are so "harsh and unconscionable." If the Government had adopted Stock Exchange prices as the general basis for compensation in its compulsory acquisition of undertakings, railway stockholders, for reasons I have mentioned, would still have had grounds for special consideration. But when one considers the many different schemes of compensation already adopted, one is struck not only by their variety, but by the fact that a deliberate attack now appears to have been made on the holders of railway

stocks. It is almost as if the Government itself, in spite of the published facts, believes that the railways are owned by the rich, whom it wants to punish.

It is not only that the Government has applied many different bases of compensation—for example, maintenance of income for stockholders of the Bank of England; net maintainable revenue and an appropriate number of years' purchase for coal owners; agreed value of shares or arbitration on the basis of net maintainable revenue for Cable & Wireless. It has actually adopted four different standards in the Transport Bill itself: Stock Exchange prices for railways, cost of replacement plus two to five years' purchase of net profits for road haulage; original cost less depreciation for privately-owned railway wagons, and yet another basis for local authorities' undertakings. If the railways were compensated on the same terms as road haulage, they would get more than twice as much as they are now offered, and if the road-haulage vehicles were acquired on the same terms as railway wagons, they would fetch less than half what they actually will under the Bill.

Furthermore, in other recent schemes of compulsory acquisition, either prior agreement on terms of compensation was reached, or provision was made for settlement by arbitration. Parliament itself has never hitherto, in the absence of agreement as to value, fixed the purchase price of an undertaking to be expropriated.

Now, as to the effect of the proposals. You will all be aware of the opinion of railway stockholders that the payments made by the Government by way of rental during the control period have been inadequate. The railways' contribution to victory was made possible largely by the policy always adopted of ploughing back into the undertakings sums which, in the years between the wars, might otherwise have been paid in dividends. The rental paid by the Government to the railways is £38,164,295 per annum, and you will remember that within the past year the Government has taken one step and now contemplates another in order to maintain this revenue by an increase in railway fares and charges. Compensation on the basis of an income figure of £38,164,295 might have been regarded by some as adequate though not generous. But the aggregate income contemplated under the Bill, assuming a rate of interest of 2½ per cent., is only £22,694,593 per annum, a drop, compared with the rental of £15,469,702; compare this figure of £22,694,593 with the standard revenue figure, £51,359,095, which the railways were allowed to make under the Railways Act of 1921, with the average net revenue which the railways earned between 1923 and 1939, £37,800,000, or with the minimum net revenue which the railways have ever earned in any year, £23,694,942.

Reductions in Income

While every holder of railway capital will be faced with a serious loss of income, the reduction in specific cases is distressing. I will instance our Southern Railway preferred ordinary stock. This stock has received a 5 per cent. dividend regularly for many years, but it stood at an unduly low market price purely owing to political uncertainties. Its take-over price is 77½, representing a yield, at 5 per cent., of about 6½ per cent. As the Bill stands, the holder of this stock will receive £77 12s. 6d. of Government stock on which the yield at 2½ per cent. will be 1·95 per cent., an income reduction of no less than 70 per cent. To take a glaring

anomaly of another kind: what case can possibly be made for a scheme which reduces the income of one class of perpetual debenture holders, the 4 per cent., by 19·9 per cent., and another, the 5 per cent., ranking *pari passu*, by 30·3 per cent. The Chancellor of the Exchequer's plea that the fall in income represents the value of the Treasury guarantee completely breaks down when one has anomalies of this kind.

The Average Stockholder

A few words now on those who will be the sufferers under the Bill if it goes through in its present form—the average railway stockholders. As I have already said, much misrepresentation has taken place on the holding of railway stocks. Here are the facts. The railways are not owned by the few and the rich, but by the many and the provident. The total number of stockholders is over 1,000,000, after allowing for duplicate holdings. Of this vast number, nearly one-fifth are in holdings of amounts of £100 or less and nearly two-thirds in amounts not exceeding £500. Ninety-eight per cent. are £5,000 or less.

It is hardly necessary to inquire what sort of people these are. Nearly 1,000,000 British stockholders can only be nearly 1,000,000 average British people—you, who are sitting in front of me, your neighbours, your tradesmen, your doctors, your schoolmasters, your engineers, your clerks—all who have saved a bit of money which, if they had not tried to look ahead, they might easily have spent. But this is not the whole story. Large amounts of railway capital are held by pension funds, hospitals, savings banks, churches, insurance companies, schools, trade unions, charitable institutions and trust funds, and so on. There is no question that millions of British people are directly or indirectly interested in railway stocks.

Well, there it is. I have tried to take you with me through the fog which surrounds us. Will you give us your support and understanding in our efforts to serve not only you, but the British public? We are doing, and will continue to do, all we can to improve the compensation terms of this unhappy Bill. We will continue to press for an inquiry to which we pledge our full aid and support. But I can make no promises that we shall be successful. However that may be, we intend, if we do go down, to go down with the Southern Railway flag flying. And the best message I can think to send to those who may succeed us is that they, too, will have, as we have tried to have:

"Some sense of duty, something of a faith,
Some reverence for the laws ourselves
have made."

I beg to move that the report of the directors and statement of accounts for the year 1946 be, and the same hereby are, received and adopted. I will ask the Deputy-Chairman to second that resolution and, after he has done so, if any stockholder has any question to ask will he, before speaking, give his or her name.

The Deputy-Chairman (Mr. Henry Brooke): My Lords, ladies, and gentlemen, I beg to second the resolution.

Stockholders' Remarks

Mr. Theodore Instone paid tribute to the staff for splendid work during the recent cold weather. He was fully in accord with the chairman's remarks on the Transport Bill and all stockholders would support the board in fighting the Bill to the bitter end. There were on the board

Members of Parliament who could help, and he was sure that they would. He hoped that, besides looking after stockholders' interests, they would not omit to look after the interests of the staff of the company.

Mr. Ernest Short, speaking on behalf of the two railway stockholders' unions, said he was absolutely in agreement with the Chairman that, from the national point of view, the Transport Bill was a very, very bad Bill. The stockholders' organisations, in the closest alliance with the Road Haulage Association, had been organising meetings of protest up and down the country. Apart from supporting these meetings, stockholders should write to Members of Parliament and local newspapers, and also sign a petition against the Bill. He went on to refer to the agreement reached between those representing the Argentine railways and the Argentine Government, which involved a payment of £25,000,000 more than the Stock Exchange prices. If the same ratio were applied to British railways, Dr. Dalton would have to add something like £200,000,000 to the compensation he proposed.

Lt.-Commander Inglefield supported what Mr. Short had said about the Bill. The Southern Railway could pride itself on the courtesy of its staff, but, all the same, he felt that it was a good thing that a Staff Training College had been opened. Everybody's purchasing power was going to be reduced, because it was not only the railways, but every company that wished to reduce the income on its debentures. He thought this reduction of purchasing power was going to have a very adverse effect on the declared policy of full employment, and by the reduction in our home market of the export trade.

Miss Olive Matthews referred to the need for housing accommodation for retired employees and suggested that the company should also approach local authorities.

The Chairman's Reply

The Chairman: Perhaps I may deal very shortly with those points which have been put forward. First, I thank Mr. Instone for the very kind tributes he paid to the Southern Railway staff. I have only got one difference of opinion with Mr. Instone. He referred to the compensation terms as "confiscation terms," as if that word were his own; it was, in fact, the word that I used in my speech. I think that Mr. Short was right: I would like to emphasise the importance of writing to your local Member of Parliament. The matter is now a political issue, and the more you can worry your local members of Parliament, or, indeed, the Member of the other House, the better it will be, because then you will make your voice heard. Mr. Short, I would like to say to you: thank you again for coming, and I would like to pay my tribute to the work which the stockholders' unions are doing now in this matter. Your map shows that the torches are going through England, and I hope they will continue to spread. You have been good enough to work very closely with us, and as the battle develops we will go on together, and, indeed, as I said, we will go down with our flag flying, though we hope we will not go down.

Then, Commander Inglefield, you made some very kind remarks about our staff. We shall see that those kind remarks you have made will be passed on to them, and I am very grateful to you for them. But then you went off at a tangent and discussed purchasing power, and so on, and it would ill become me, in the presence of an ex-Chancellor of the Exchequer, to

enter into any discussion on that, but if you wish to talk to Sir John Anderson away from this meeting, he will, I am sure, give you the answers to your questions.

Miss Matthews, we are glad to hear from you again at our meeting. We have, in fact, got two houses, the first of which will accommodate 16 elderly couples, which we hope to open in May; the other will accommodate 22 elderly couples, and it will be opened later. So far as bringing pressure to bear on local authorities is concerned, perhaps we will think about that; we have got so much to do; we have got to keep in with them, and we do not want any more trouble. I think that deals with the questions which have been asked.

The resolutions for the adoption of the report and statement of accounts, the payment of dividends, the re-election of directors, and the appointment of auditors were put, seconded, and carried.

The Chairman: That concludes our annual general meeting.

Special General (Wharncliffe) Meeting

The Chairman: Now we turn ourselves into a Wharncliffe meeting. I will call on the Deputy-Secretary to read the notice convening the meeting.

The Deputy-Secretary (Mr. S. E. Clark): "Southern Railway Company. Notice is hereby given that a special general (Wharncliffe) meeting of the proprietors of the Southern Railway will be held at Wigmore Hall, Wigmore Street, in the County of London, W.I., on Thursday, March 6, 1947, at 12.30 p.m. (or as soon thereafter as the annual general meeting of the proprietors to be held at 11.30 a.m. on the same day is concluded or adjourned), when the following Bill intended to be presented to Parliament will be submitted for the consideration and, if thought fit, approval of the proprietors, namely: 'A Bill to confirm the diversion and stopping up of certain footpaths and the purchase of certain lands by the Southern Railway Company; to extend the time for the completion of certain works and the compulsory purchase of certain lands; to confer further powers on the company; to confer further powers on the East Kent Light Railway Company; and for other purposes.' L. F. S. Dawes, Secretary, Waterloo Station, London, February 11, 1947."

The Chairman: Ladies and gentlemen, the objects of this Bill are as stated in the notice which has just been read. I think, however, you may like to have a few words of explanation. The main object is to obtain powers for the company to provide hotels on any part of its system, the present powers being limited in regard to location. It is true that by the Transport Bill it is proposed to confer hotel powers on the Transport Commission, but this is no reason why the company should not seek its own powers, as the London & North Eastern Railway is also doing. It is also necessary to regularise certain footpath diversions carried out, by agreement with the local authorities during the war, and to extend the time for the exercise by the company of its statutory powers to purchase certain lands and complete certain works, including the remaining part of the docks extension at Southampton and the new alternative railway line between Folkestone and Dover.

The company is also helping the East Kent Light Railway Company by including powers in the Bill to sell surplus lands,

similar to those obtained by the company and the other main-line railway companies. With that explanation, I beg to move the resolution, and I will ask the Deputy-Chairman to second it.

The Deputy-Chairman (Mr. Henry Brooke) seconded the resolution, which was carried.

After the meeting Mr. Ernest Short read a resolution pledging stockholders to continued support of the board in opposition to the Transport Bill, and calling on the directors to continue their unsparing efforts to defeat the confiscatory clauses of the Bill.

Mr. Nicholson seconded the resolution, and it was carried.

The Chairman: Thank you very much for that resolution and for your support, and I pledge to you, on behalf of myself and my colleagues, our continued efforts on your behalf.

A Stockholder: I do feel it would be the wish of stockholders here to place on record our appreciation of your services in the past year. I would like to include in that my personal thanks to the Chairman for the crumb of comfort that has fallen to the deferred stockholders by the small increase in this last year. I do feel that that, together with the great services you are rendering to the company, deserves our united thanks, and I will ask you all to join in passing a vote of thanks to our Chairman.

The Chairman: Ladies and gentlemen, thank you very much indeed.

ANOTHER L.M.S.R. MOTORSHIP READY.—Before being handed over to the L.M.S.R. at Stranraer, the new motorship *Princess Victoria* built by William Denny & Bros. Ltd., Dumbarton, for the Larne-Stranraer service, underwent full-power trials off Loch Ryan on March 4. The vessel is of 2,300 tons and has accommodation for 1,500 passengers and some 40 motorcars. She was launched at Dumbarton on August 27, 1946, and has a service speed of 19 knots. She replaces the former *Princess Victoria*, which was completed in the summer of 1939 and was sunk on war service in 1940.

CATERING FOR OVERSEAS VISITORS.—Lord Hacking, Chairman of the British Travel Association, returned to this country on February 10 from a goodwill tour of Canada and the United States. During his travels, which lasted about four weeks, he visited many of the principal cities of these countries, addressed numerous meetings, made ten broadcasts, and discussed travel facilities with agents, steamship and airline companies, and with the travel editors of newspapers. From these discussions, remarked Lord Hacking recently, it was clear that more than 70,000 people in the United States were anxious to visit Great Britain this year, and at the same time more than 20,000 visitors might be expected from Canada. He hoped that steps might be taken to abolish the visa fee if it was impossible to do away with visas altogether. It had now been agreed that passports would be granted to American visitors provided accommodation had been reserved for them in this country and transport had been arranged in advance. Lord Hacking said that he had in mind an extension of the holiday season from the spring to the autumn, and he was confident that by this means Great Britain could accommodate 250,000 visitors this year from all parts of the world. Two things, however, were essential; first, cheap and efficient transport, and, second, the right atmosphere of welcome for the visitor.

London & North Eastern Railway Company

Increased net revenue—Locomotive maintenance arrears—Effects of coal shortage—Delays in new construction—Company's alternative to nationalisation ignored—Injustice of Transport Bill—Dangers of railway operation by amateurs—Adherence to doctrine impedes recovery

The annual general meeting of the London & North Eastern Railway Company was held at Grosvenor House, London, on March 7, Sir Ronald W. Matthews, Chairman of the company, presiding.

The Secretary, Mr. W. H. Johnson, read the notice convening the meeting.

The Chairman, in moving the adoption of the report and accounts, said: My Lords, ladies and gentlemen, it is with very great regret that I have to report to you the great loss sustained by your company by the deaths, by a melancholy coincidence on the same day, April 30, 1946, of Sir Murrough Wilson and Mr. A. R. Gray. Sir Murrough Wilson joined the board of the old North Eastern Railway in 1912. He served your company as Chairman first of the Hotels and then of the Traffic Committee, and for many years as Chairman of the North Eastern Area Board. He was appointed Deputy Chairman of the company in 1934. He had a wide practical knowledge of railway administration, and it is impossible to speak too highly of the great services he rendered to your company. His work was inspired always with a sympathy and understanding which endeared him to all who knew him.

Mr. A. R. Gray joined the board of the old North British Railway Company in 1908. He gave most valuable service in many directions, particularly in connection with the administration of the company's hotels in Scotland and with its interests in Aberdeen.

Changes in the Board

In the place of Sir Murrough Wilson, the directors have appointed Mr. Walter Kennedy Whigham as Deputy Chairman. Mr. Whigham has been Chairman of the Finance Committee since 1934, and his unrivalled knowledge of financial matters is of the greatest value to the proprietors at the present time.

During the year the Hon. Walter Leslie Runciman, who was appointed to the board in 1937 and resigned in 1939 to take up an important position with Imperial Airways, was re-appointed as a Director, and we are fortunate to have once more at our disposal his wide knowledge of transport by sea and air. Stockholders will, I know, wish to join me in congratulating Sir Robert Inglis, recently our Divisional General Manager in Scotland, on the knighthood conferred on him by His Majesty the King in recognition of valuable services rendered as Chief of Transport in the British Zone in Germany.

During the year the following officers have retired from the company's service: Mr. Edward Thompson, Chief Mechanical Engineer; Mr. Kenelm Kerr, Assistant General Manager (Staff); and Sir Robert Inglis, Divisional General Manager, Scottish Area, to whose recent distinction I have just referred. All these officers served the company with the greatest devotion and ability throughout their rail-way careers.

Financial Results

I propose now to deal with the accounts: the net revenue for the year 1946 was £11,078,471, which is an increase of £50,658 or 0·5 per cent. as compared with 1945. This amount is made up of £10,136,355, which is the company's share of the

annual payment from the Government in accordance with the Railway Control Agreement; and a sum of £942,116, from items excluded from the rental payment under that agreement, consisting in the main of interest and dividends from our investments in omnibus and road haulage companies. To the net revenue of £11,078,471 must be added a profit of £33,311, on the realisation of investments, and the balance of £59,208 brought forward from 1945, making a total of £11,170,990.

Ordinary and Preference Dividends

After providing for all fixed charges and payment in full of dividends on the guaranteed stock, the directors recommend the payment of final dividends of 2 per cent. on the 4 per cent. first preference stock and 2½ per cent. on the 5 per cent. redeemable preference stock (1955). This leaves a balance of £2,407,874, from which the directors recommend the payment of a final dividend of 2½ per cent. on the 4 per cent. second preference stock, making, with the interim dividend of 1 per cent. already paid, 3½ per cent. for the year, and leaving the sum of £175,576 to be carried forward.

Of the amount of £175,576 carried forward, the sum of £162,842 represents certain items of income largely earned in 1945 or previously, which the directors are advised are not available for distribution to the stockholders if the terms of the Transport Bill, now before Parliament, pass into law in their present form. It is impossible to understand the equity of the proposals under which the distribution of this balance is withheld from the stockholders.

While certain accounts and statistical returns are available this year for the first time since the company came under Government control, I regret that it is still not possible to supply particulars relative to the activities of the company in all their pre-war detail, owing to the continued operation of the Railway Control Agreement with its fixed rental provisions, and the suspension of the Railway Clearing House allocation of gross receipts among the various undertakings. I can, however, give you some indication of the level of the traffic in 1946.

Higher Wagon-Mileage

During the year, the number of loaded wagon-miles run on the L.N.E.R. company's line was 1,162 millions, an increase compared with the year preceding the war of 11 per cent. Empty wagon miles, at 454 millions, were about 22 per cent. less than pre-war. Net ton-miles worked totalled 6,893 millions, an increase of 1,250 millions compared with pre-war, of which 614 millions were in respect of general merchandise, 547 millions in respect of minerals, and 89 millions in respect of coal. Freight engine-mileage run was 89 millions, 6 millions more than before the war. Including Government special trains, the passenger train-mileage run amounted to 62 millions, which was 16 per cent. less than pre-war.

Although the freight figures show a considerable increase above the pre-war level, they show a general decrease compared with the year 1945. The main reason for the lower figures in 1946 compared with

1945 is that the falling off in traffic on Government account has not, for a variety of reasons, been replaced by peace-time traffics. The total wagon-miles for freight traffic were 7 per cent. less than the year before, and net ton-miles declined by 7 per cent.

I come next to the increases in rates and charges which the railway companies were directed by the Minister of Transport to bring into operation on July 1, 1946. These increases, which were intended to compensate for the expected fall in railway traffic during 1946, have brought the general level of railway rates up to 25 per cent. over pre-war for merchandise traffic, season ticket rates and workmen's fares; 33½ per cent. for passenger traffic; 15 per cent. for coasting liner charges; and 40 per cent. for other dock charges.

Charges Consultative Committee

When the Minister issued this direction, he announced that he had requested a consultative committee to advise him on the best method of further adjusting railway charges so that, for the year 1947, the aggregate of the net revenue paid into the pool would approximate to the aggregate of the fixed annual sums payable to the railway companies under the Railway Control Agreement. The railway companies were asked to furnish such statements and estimates as the Consultative Committee might require, and generally to give the committee such assistance, by evidence or otherwise, as was within their power. They complied with this request. A public inquiry was held between September 16 and October 23, and the report of the committee was published on February 24. The Minister of Transport, in announcing the publication of this report, has stated that the implementation of the recommendations made therein will be considered at the end of March.

There is no disguising the fact that 1946 has been a difficult year from the railway point of view. I am not referring now to events in the political arena, in regard to which I shall have something to say a little later, but it is appropriate to offer at this early stage in my address a few observations on the operating difficulties which have been increasing almost daily throughout the year, and which I am sorry to say have been used most unfairly—I might say unscrupulously—in certain quarters to bolster up the case for nationalisation.

Railwaymen, who have been giving of their best to keep the wheels moving and to provide adequate services for trader and traveller, will not readily forgive the Chancellor of the Exchequer for his slighting and ungracious references to the main-line companies in and out of the House of Commons. I probably shall not be forgiven for reminding him and his colleagues that the shortages of labour and material which at every end and turn have impeded our recovery are not the fault of the railways, but arise from Cabinet decisions on priorities which are completely outside our control. I am proud to take this opportunity of paying tribute to the admirable manner in which the company's staff as a whole has met a situation of unparalleled difficulty.

Difficult Locomotive Position

The year opened with a difficult freight position, largely due to the number of locomotives out of service for repair. By the early spring, however, accumulations of traffic had been largely cleared and freight was again moving with reasonable freedom. But, unfortunately, in the early autumn the position took a turn for the worse. The effects of the intensive use

and reduced maintenance of our engines during the war years became more and more evident. Many of the older locomotives would have been withdrawn from service some years previously but for the impossibility, during and immediately after the war, of replacing them.

The combination of seasonal increases of traffic in the autumn and winter, and a continually decreasing number of locomotives available for service, resulted in such an accumulation of loaded wagons that we were forced to impose restrictions upon the acceptance of merchandise traffic from traders in accordance with a code of priority approved by the Minister of Transport.

Criticism has been voiced on this point, despite the strenuous efforts of the company to move traffic as it was offered. But whilst your board fully realises the serious results of these embargoes upon the trade of the country, in fairness to the management and the staff I must point out that the traffic affected was a relatively small percentage of the tonnage conveyed by the company. And the restrictions on the acceptance of traffic are just as traceable to the effects of war as are, for example, continued food rationing and the reductions in electricity and gas supply that during the winter, and even more today, have been so regular a feature of the daily lives of the housewife and the industrialist.

I need hardly tell you that the company has been and still is faced with a most difficult position for locomotive coal. At the end of the summer, by which time we should have built up at least three weeks' supply, our stocks on the ground were equal to only seven days' consumption, with a further tonnage equal to three days' consumption in wagons. We had, of course, constantly urged upon the appropriate Ministers the necessity for the building up of reserve stocks in anticipation of the winter. With such a meagre stock upon which to draw, we were obliged to institute hand-to-mouth arrangements for distribution. At no time during the winter did the average stock represent more than ten days' supply, and at the present time it amounts to no more than six days. In actual fact, many individual depots from time to time have had no reserve whatever.

Deterioration in Coal Quality

But shortage of supplies was perhaps less serious in its effect than the inferior quality of the coal itself. The difficulties arise chiefly from the amount of slack, which for the benefit of our Scottish stockholders I will translate as duff, and the percentage of ash in the composition of the coal. The slack produces what is known as "birdnesting," that is, the clustering of molten masses round the ends of the fire tubes, preventing the transmission of heat to the water in the boiler. The ash in turn runs to the firebars, where it produces a mass of clinker that prevents the admission of sufficient air to ensure a good fire. It is not difficult to realise, therefore, why our locomotives often are unable to maintain a sufficient head of steam to avoid losing time, with consequent reactions upon the punctuality of following and connecting trains. Your directors regret extremely the discomfort to which passengers have been and still are being subjected, particularly in the case of the suburban service from Liverpool Street Station, where the troubles already referred to were accentuated by the recent unfortunate labour dispute at Stratford locomotive sheds.

In our efforts to restore the permanent way to its high pre-war level of mainten-

ance, we are meeting with a special difficulty. The shortage of timber sleepers continues to cause anxiety, and there seems to be no prospect of adequate quantities being imported. Of the alternatives available, the pre-stressed concrete sleeper is the only one which has in experiments shown itself capable of standing up to requirements. Unfortunately the annual production of pre-stressed concrete sleepers, at present about 150,000, is not nearly sufficient to meet the deficiency. The Government departments concerned, however, are well aware of the position, and it is proposed to erect a number of factories as a result of which the production of pre-stressed concrete sleepers will be increased considerably, though not to a quantity which is within measurable distance of our needs.

Building Programmes Held Up

So far as our rolling stock programmes are concerned, 1946 has been largely a year of thwarted endeavour. I have referred in previous years to our plan for building over five years a total of 1,000 locomotives, 5,500 carriages, and 70,000 freight wagons in the effort to overtake arrears of renewal. We had hoped to secure in 1946 about 150 locomotives out of the 300 on order from outside contractors, but only 73 were delivered. The output from our own workshops also has been disappointingly low, because in the matter of supplies we have had to contend with the same difficulties as the outside builders. I am pleased to say, however, that the position has been eased to some extent by our acquiring from the Ministry of Supply 75 medium shunting engines and some 200 heavy mineral engines of the "austerity" type.

As regards carriages, I mentioned a year ago that our original 1946 orders from outside builders had been curtailed drastically in the interests of exports. From this attenuated programme, we received only 30 carriages in the year, and it will not be until towards the end of 1947 that even the curtailed 1946 orders will be completed. We are making every effort to produce as many carriages as possible in our own workshops, but output has been hampered considerably by the loss of building capacity caused by the disastrous fires to our premises at Doncaster and York. It is regretted that these delays in the building of new stock must mean the retention in service of older vehicles that would otherwise have been scrapped.

Plans for the replacement of the accommodation at Doncaster have been completed, and a contract placed for the work to be commenced. It is anticipated that the reconstructed premises at Doncaster will be ready in about twelve months. Good progress has been made with the reconstruction of the York carriage building shop, which, it is hoped, will be in operation within a month or two.

Wagon Supplies Improving

We are in a more fortunate position as regards our orders for freight wagons. During the year we have received from outside manufacturers a total of some 7,000, and have constructed 6,000 others in our own workshops.

A settlement was reached last year regarding the claims submitted by the trade unions in 1945 for the consolidation of war advances. The settlement, taking effect from July 1, 1946, provided for the merging into the standard rates of pay of salaried and conciliation grades of the full amount of war advance then being paid.

During the past year your directors have been giving careful consideration to the

improvement of houses owned by the company, about 12,000 of which are occupied by the company's staff. As a result, a comprehensive programme of modernisation and rebuilding, estimated to cost over £3,000,000, has been sanctioned. It will be realised, however, that under present conditions progress must be slow, and it may be a considerable number of years before this very necessary work can be completed.

Shenfield Electrification

Early in 1946, authority was given for work to be resumed on the electrification scheme between Liverpool Street, Fenchurch Street, and Shenfield. Although considerable progress has been made, there has been difficulty in obtaining a sufficiently high priority in the allocation of labour and materials. In consequence the work is not likely to be completed within the two years originally estimated, but urgent representations have been made, extending over many months, to the Government departments concerned, which it is now hoped will result in a considerable improvement in the rate of progress. Work on the extension of the Central Line of the London Passenger Transport Board has been proceeding during 1946, and the first portion of the extension, the projection of the tube from Liverpool Street to Stratford, was opened on December 4.

Every effort is being made to re-open those of our hotels which were requisitioned by the Government. Considerable reconditioning is necessary, and your directors have decided that, concurrently with this work, the opportunity will be taken of modernising completely these hotels. Schemes are being prepared also for the modernisation, amongst others, of the Great Northern Hotel at Kings Cross, and for improvements at the Royal Station Hotel, Newcastle, and the North British Station Hotel, Edinburgh. The Palace Hotel at Aberdeen, which was destroyed by fire in 1941, is to be rebuilt in accordance with the most up-to-date standards of hotel design and construction.

When the war was drawing to its end, your directors decided that, as soon as possible, the whole of the company's refreshment room facilities should be modernised and improved. The necessary changes in organisation were carried out in stages, and became fully operative during the year 1946. Already many improvements have been effected. Refreshment rooms are being redesigned, and, within the terms of the stringent regulations of the Ministry of Food, new facilities are being offered. So far as the L.N.E.R. is concerned, I think I can safely say that the station bun and sandwich of the music-hall comedian is rapidly becoming a thing of the past.

Further developments have taken place during the year in the reinstatement of our Harwich steamship services. With the return from Government service of our sole surviving train ferry, the Harwich-Zeebrugge train ferry service was restored on August 16, and substantial traffics have been passing by this route. Good progress is being made in the construction of a second train ferry, which is expected to be completed next May.

It has been possible also to restore our passenger and cargo service between Harwich and Antwerp since last July, by using two vessels of our Grimsby fleet. Two of our cargo vessels were returned by the Government early in the year, and this has enabled us to resume the Harwich-Rotterdam cargo service. The Harwich-Hook of Holland service, which was resumed in 1945, has been maintained with-

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out interruption by our steamship *Prague*, and the passenger carrying by this route have been most satisfactory. Our new vessel, the *Arnhem*, was launched in November last year, and it is hoped to have her running on the Harwich-Hook of Holland service in a few weeks' time.

You will be interested to know that a well-known writer has been entrusted with the task of producing a popular history of the L.N.E.R. during the war, which is now completed and will be published very shortly. We published in November last an illustrated pamphlet entitled "Forward," which dealt comprehensively with the development programme of the L.N.E.R., covering permanent way, buildings, locomotives, rolling stock, hotels and steamship services. This booklet, which received widespread publicity, was not produced with any political or propaganda motive, since the programme of works outlined therein will have to be done, I am convinced, irrespective of private or State ownership.

The Transport Bill

My Lords, ladies and gentlemen, I now approach the question which is uppermost in the minds of all of us today, the future of transport in general and of the railways in particular. The Government backed—or perhaps I should rather say pushed—by a large and not too well-informed majority in the House of Commons, has decided that the transport services of this country can best develop under the inspiring direction of Whitehall, and as you are aware, a Bill to achieve this objective is even now being rushed, with a speed generally associated with panic, through Parliament.

I do not think that I exaggerate when I say that no major measure has ever received so luke-warm a reception from those whom it is supposed to benefit. It is in fact a thoroughly bad Bill. It achieves nothing which cannot be achieved by other and less restrictive methods. It clogs the wheels of a developing industry. It places dictatorial powers and almost unlimited patronage in the hands of the Minister of Transport, and creates another immense bureaucracy. It destroys every vestige of *esprit de corps* and competition, and proposes to take over the transport undertakings of the country on terms which would bring a blush of shame to the leathery cheek of a Barbary pirate.

With your permission I propose to devote a few minutes to an historical survey of the events which, starting from the development of the road transport industry after the first world war, led up to the "Square Deal" proposals of 1939, and finally to the Road-Rail Memorandum and the documents issued by the main-line railway companies in the autumn of last year.

Development of Road Competition

The formation of the four main-line companies in 1923 took place during the phenomenally rapid expansion of the road transport industry which, virtually free from legislative control over its commercial or operating aspects, soon proved itself a major competitor of the railways. At the same time, the railway revenues were being undermined by the prolonged depression in the heavy industries. However, in 1928 the main-line railways finally secured powers to operate road services themselves. Rather than embark on destructive competition with the omnibus and coach companies, however, they entered into financial partnership with them, and today the

L.N.E.R. has substantial and remunerative holdings in omnibus companies, amounting in all to nearly two and a half million pounds at cost.

At this point I would like to say a word in regard to the question of co-ordinating passenger road and rail services. For many years standing joint committees, consisting of representatives of the railways and of our associated omnibus companies, have been co-ordinating road and rail passenger services, and far more has been achieved in this direction, and in co-operation with certain municipal undertakings, than seems generally to be appreciated. Timetables are synchronised wherever this is practicable, although it will be realised that the difficulties of fitting in local bus services with the timings of long-distance trains are not always easily overcome. Many railway station yards are used as bus stations, and details of local bus services are available at our inquiry and booking offices. Reciprocal arrangements for alternative services in sudden emergencies are a well-established feature of this co-operation between road and rail, and many practical illustrations of its workings have been provided, not only to meet the dislocations caused by enemy action, but also during periods of severe weather.

Goods Traffic by Road

An equivalent measure of co-ordination on the freight side has proved difficult of achievement. In the first place, that industry is organised in a very large number of small units, whereas the passenger side of the industry consists for the most part of relatively large units. At the outbreak of war there were some 60,000 goods road haulage contractors, owning, on an average, about 2½ vehicles apiece. I will not take up your time by a detailed analysis of the factors which in the past have operated to the unfair disadvantage of the railways in meeting the competition of the hauliers. But the substance of our complaint is, you will recollect, that the stringent charging restrictions under which we operate have made it easy for the haulier to "skim the cream" off our traffic, by carrying commodities which under the railway scale of charges bear relatively high rates, without sharing our obligation to carry many commodities, including coal and the basic raw materials of industry, at relatively low rates.

"Square Deal" Memorandum

In 1938 the financial difficulties of the railways arising from unfettered road haulage competition had become so serious that the railway companies addressed a memorandum to the Minister of Transport, popularly known as the "Square Deal" memorandum, demanding the right to compete on completely level terms through the abolition of the various statutory restrictions applied to railways. As a result of this approach, discussions were opened with representatives of the road haulage industry, and also with the national associations representing the most important users of transport, and provisional agreement was reached for a simplification of the charging system, together with a relaxation of the legal obligations on the railways, coupled with certain safeguards to prevent cut-throat competition, or exploitation of particular industries which were dependent on rail transport.

The Transport Advisory Council, to which the Minister had remitted the railways' memorandum, reported in favour of the introduction of legislation to give effect to it on a modified basis, and it seemed as though the railways were at last in

sight of obtaining a real commercial Magna Charta. Unfortunately, the war intervened before any steps could be taken to give effect to this recommendation. The next and most important development was the constitution on January 1, 1945, of the National Road Transport Federation, one of the constituent bodies of which is the Road Haulage Association. It then became possible for the first time for the railways to open discussions with a truly representative body on the road transport side—discussions which had the approval of the Minister of Transport. As a result of the discussions, a step of major importance was taken in July, 1946, when a scheme for the co-ordination of all road and rail freight transport services was agreed and submitted to the Minister of Transport. These proposals were supported by influential bodies representing the transport users, inland waterways, and coastwise shipping, all of which had been consulted fully during the course of the negotiations.

Agreement With Road Operators

The main provisions of the agreement were, briefly, that road hauliers would undertake the obligations of a public service to provide reasonable and, where appropriate, regular services, and to accept any traffic within their capacity to carry. A road-rail tribunal would be constituted to settle standard conditions of carriage, the classification of merchandise, and correlated road and rail rates schedules. Railway collection and delivery services and other road services would be organised on a co-operative basis to ensure their most economic use, and the railways undertook to arrange the provision of express railway wagons for the sole use of the road hauliers on selected routes. The transport users thereby would be left entirely free to choose the form of transport most suited to their business, including the absolute right to carry their own goods in their own vehicles. The dangers of a transport monopoly would thus be completely avoided.

The transport industry had a right to expect that constructive proposals of this nature would bring a sympathetic response from the Minister of Transport, but his observations on the proposals were not forthcoming for three months, when he dismissed them in the following words:—"I have studied the memorandum, but the Government have other plans as to the solution of the problem."

This somewhat summary pronouncement was followed in November by the publication of the Transport Bill, which, as already is well known, contains no indication of any sort or kind as to the manner in which the Government intends to deal with such fundamental questions as the correlation of road and rail rates, the classification of goods, and the future basis of charging. And yet the Government never ceases to proclaim that nationalisation is justified in order to obtain co-ordination.

Inquiry Request Rejected

Today, then, we are confronted with this vast measure of nationalisation, without any preliminary examination of the facts of the situation as it exists today. The request for an impartial inquiry before any irretrievable steps were taken—a request put forward not only by the transport undertakers themselves but by all the principal industrial organisations of the country—was in fact brushed aside by the Minister for the still unexplained reason that "inquiries could be dangerous." Dangerous to whom or what? I can only

suggest, to the reputation of Herr Karl Marx, who decided eighty years ago that, in the conditions then existing, transport ought to be nationalised.

Be that as it may, I say once more that there is no justification whatsoever for the arbitrary manner in which this measure—described by Mr. Barnes as “the largest and most extensive socialisation measure ever presented to a free democratic Parliament,” and which, as such, might reasonably be felt to demand careful and exhaustive examination, clause by clause—is being forced through the House of Commons. Every day's discussion, indeed, emphasises the need for an inquiry of the widest character before the future of transport is decided.

L.N.E.R. Alternative to Nationalisation

A year ago it was being said in some circles that, whilst the railways opposed nationalisation, they had no constructive alternative scheme to put forward. That criticism was, I think, effectively answered when the four main-line companies issued the pamphlet entitled “British Railways and the Future,” while at the same time the London & North Eastern Railway published a complementary document entitled “The State and the Railways.” I use the word “complementary” advisedly, in view of the suggestion which has been made in certain quarters that there are divided counsels among the railway boards. I want to make it perfectly clear that this company supports in their entirety the schemes set out in “British Railways and the Future.”

There are, however, two major problems that face the railway industry: (1) the disparity in track costs as between rail and road; (2) the need to raise new capital on the most favourable terms for widespread modernisation and improvement schemes. The proposals formulated in “The State and the Railways” provide in our view a long-term solution to these two problems and a practical alternative to nationalisation. In this connection I cannot do better than quote from an admirable letter to *The Times*, dated January 14, 1947, over the signature of my colleague, Lord Balfour of Burleigh:—

“The annual saving to the four companies of five to seven million pounds proposed in the L.N.E.R. scheme cannot possibly be described as a subsidy to the railway companies, because it is the essence of the plan that the saving should be passed on *in toto* to the trader. The effect would be to permit, for the first time since the rise of the great road transport industry, competition on level terms between road and rail. The L.N.E.R. proposal provides exactly the practical and defensible scheme asked for, and it is very regrettable that it should not have received the consideration which it deserves. This plan provides for State ownership of the track: while opening the way to effective integration of road-rail service, it preserves healthy competition: it renders unnecessary the creation of a vast bureaucratic monopoly, and avoids the addition of a colossal burden to the national finances.”

If the Road-Rail Agreement, to which I referred a few moments ago, is read in conjunction with these two documents, you have a set of practical proposals, submitted by those experienced in the industry; and a heavy responsibility will lie upon a Government which rejects them in favour of a scheme evolved by Civil Servants and Socialist intellectuals who, whatever their virtues, remain the veriest amateurs in transport operation.

Before I turn to consider the demerits of the compensation which the Government has tossed contemptuously to the railway stockholders, I would like to deal with the suggestion made by the Chancellor of the

Exchequer, that “the Government was taking over a very poor bag of physical assets and that the railways were a disgrace to the nation.” It is Mr. Dalton and his colleagues who have forbidden or made it impossible for the railway directors to restore their assets to the same good condition in which they were at the outbreak of war. He ignores entirely the fact that the railway companies have set aside “all the money required to bring these assets back to this condition, and have invested it in Government securities. Surely Mr. Dalton is well aware that he is proposing to acquire these Government securities along with the physical assets themselves. If Mr. Dalton complains that some railway stations are dingy and uncomfortable, let him wander round those well-equipped and smartly-run examples of public administration such as food offices, labour exchanges and Inland Revenue offices, and let him feast his eyes on their tasteful modern appointments.

Now with regard to the actual compensation terms proposed by the Government; there are of course two main issues: first, the basis for arriving at the total compensation value; second, the method of payment of this compensation value. The total compensation value of the railway securities is taken as the Stock Exchange quotations, averaged over six days in November, 1946; or alternatively the mean of the mid-month quotations for the six months February to July, inclusive, 1945.

The Minister of Transport has put forward no reasoned argument to justify this quite arbitrary valuation, although the Chancellor of the Exchequer has attempted to defend it by arguments which I can describe only as disingenuous. Mr. Dalton can hardly be serious in asserting that the price at which a small fraction of the securities of an industrial undertaking actually changed hands on some given days is necessarily a fair and correct basis for valuation of the undertaking as a whole, taken over as a going concern. Were these prices indeed the correct ones, then on the days in question most of you would have been hovering on the brink of a decision to sell, whereas I am quite confident that you had no such thought; you had your securities put away, and there you intended to leave them.

Arbitrary Interference with Stocks

I would, moreover, draw your attention to the fact that the railway stocks concerned are the creation of Parliament, and most of them are statutory obligations of a perpetual character. They have been purchased and are held by the public on that assumption. Today, on a completely arbitrary basis, Parliament is changing radically the character of these stocks, and reducing drastically the incomes of the stockholders. I leave it to you to say whether such treatment is fair or reasonable. Incidentally, one need hardly underline the fact that the lack of stability in the railway industry in the years prior to the war, which has been largely responsible for the artificially depressed prices of railway securities, is mainly the direct responsibility of Parliament, which failed to establish conditions under which the railways could compete on fair and level terms with their road transport rivals.

I now come to the method of payment to the stockholders of the inadequate compensation values prescribed by the Government. Unfortunately, all that is known at the moment is that the amount of British Transport Stock to be issued in compensation is to be “in the opinion of the Treasury equal in value on the date of issue” to the prices which are to be

paid. The date of issue has yet to be specified. So, too, has the rate of interest and the price of issue of the new stock. Although it must be some months before railway stockholders know the fate which may await them in this connection, the cheap money policy of the Government fills us with apprehension that it is intended to enforce drastic cuts in the income of stockholders.

In the case of the main-line companies, the bulk of nearly one million proprietors are either executors, institutions, or small investors who have saved to provide an income in their old age, or for their dependents. All these ordinary folk are faced with the possibility of approximately a 50 per cent. cut in their present incomes from railway stocks—a severe loss at any time, but crippling in these days of rising prices. The arbitrary character of the Government's action is emphasised by the results of the referendum amongst railway stockholders which took place in June last. This showed that 96·85 per cent. of the replies received from L.N.E.R. stockholders were against nationalisation, and only 3·15 per cent. in favour of it.

Efforts to Combat Injustice

Your directors are doing everything in their power to combat the monstrous injustice which is contemplated, and it is only fitting that I should at this point pay a warm tribute to the notable part played by the L.N.E.R. Stockholders Association under the dynamic chairmanship of Mr. Scott Adie and by the British Railway Stockholders Union. I am sure that all of you, whether members of these organisations or not, will recognise all they have done towards enlisting popular support for our cause, and reinforcing the companies' demand for arbitration upon the compensation terms in the event of the Transport Bill becoming law.

My Lords, ladies and gentlemen, when I addressed you last year I concluded my speech with the following words: “At a time when so many grave and terrifying problems, menacing the happiness and wellbeing not only of ourselves but of the world at large, demand immediate and enduring solution, I protest in all earnestness that it is folly for the Government to experiment with the organisation of well-tried institutions which have proved their ability to meet national needs to the full in peace and war.” I believe you will agree with me that those views are worth re-stating today, and with even greater emphasis. For the past twelve months the minds of Ministers, which should have concentrated on the immediate tasks of restoration of the national economy, have been busy building up a monstrous fabric of State control of our most essential industries. And this not with a view to the immediate improvements so vitally necessary, but in pursuit of a vision of a highly speculative Utopia in some remote and indefinite future.

The Sport of Planners

Transport and power supply, the life blood of the country in these days of extreme national peril, are still the sport of the planners. The time of Ministers and their staffs is being wasted in diagnosing and prescribing for non-existent organic troubles, when all that the patient requires is first aid for functional disorders which only become dangerous if neglected.

Now, when only a united effort, put forth with the determination which carried us through the grim days of 1940, can avert the disasters which menace us from every side, it is tragic to find the country racked by controversy on ideological issues.

The older generation, who have invested their savings in undertakings such as ours, are suffering today from a deep and legitimate feeling of gross injustice when they compare the tremendous reductions in income with which they are threatened with the constant rise in wages throughout industry and the diminishing purchasing power of the pound. Among the younger generation, men and women, burning with the spirit of enterprise and adventure, see before them a life of drab and weary frustrations, of endless and irritating controls.

Unless as a nation we are prepared to be realistic and to insist on first things being put first, then this age which we had all hoped would go down in history as the age of social and industrial reconstruction, will be known for all time as the age of social and industrial destruction, when the sound industrial fabric of the country was torn down ruthlessly by the hands of bungling amateurs unskilled and inexperienced in the arts of trade and commerce, with only vague and visionary ideas of what they want to erect in its place. That would be a tragic end indeed to all our dreams of a brave new world. The White Paper recently issued by the Government on the economic state of the nation reveals clearly enough the grim realities of the situation, however little its sponsors appear to be willing to face up to them.

It is not too late to recover the ground that has been lost. It means hard work from every member of the community, and the temporary sacrifice of much that is comfortable and pleasant. But the one sacrifice which will avail us nothing is the pouring of the blood of industry on the dreary altar of Karl Marx.

The motion adopting the report and accounts was seconded by the Deputy Chairman, Mr. Walter K. Whigham.

Stockholders' Remarks

Before inviting questions and observations from stockholders, the Chairman said he had received from Mr. Scott Adie, Chairman of the L.N.E.R. Stockholders Association, a request to be allowed to move a resolution supporting the board in its opposition to the nationalisation proposals. There were protests from Councillor Wilson and Mr. H. H. Hearne, but the Chairman held that the meeting was overwhelmingly in favour of the resolution being proposed at the end of the general business.

Mr. Ernest Short said he would like to put before the meeting a very positive view which the joint committee of the two associations of stockholders had come to in regard to this Bill: that was, that one of the most fatal points of view which could take up was a defeatist attitude. There was evidence that, given sufficient support, the Bill could be defeated.

There was one further point to make in support of the splendid fighting speech from the Chairman, and that was the mon trous suggestion that the price on the Stock Exchange of a few shares on a certain day or two in November in any way expressed the capital value of their property. About a fortnight ago, Argentina made a bargain with the owners of the Argentine railways. In so far as those agreements could be between a willing buyer and a willing seller, that was a bargain between a willing buyer and a willing seller. The Stock Exchange prices on the day that was announced were £25,000,000 below the compensation which the Argentine Government was prepared to give. If they were treated with equal generosity by Dr. Dalton and his Government, they would have more than £200,000,000 added to the proposed compensation in this Bill.

He believed the difference was the measure of the loss which this gross injustice was imposing upon them.

Councillor Wilson thanked the Chairman for the excellent manner in which he had presented the balance sheet, but the point which interested them all was their life savings and what chance they had of getting them back again. He had said at this meeting a year ago that they had no jurisdiction in opposing the nationalisation of British railways. On August 9, 1844, Her Majesty's Government then in session wanted to construct British railways, but they could not get the finance into it, so an Act was passed on behalf of that Government and any succeeding Government, that the British public could invest their money in a public service of the greatest national importance; and in Section 2 of that Act it said definitely: "you have no control over the class of goods you carry or the price you get for their transport." That was fixed and arranged in that day as it was today by the Rates Tribunal.

Up till 1925 their investment was trustee stock. The Government definitely failed in their duty not to declare their road competitors common carriers in 1928 and 1929, and that was one of the reasons why their trustee stock was thrown on the market and became a speculation and a Stock Exchange gamble.

The Government had now issued what they desired to pay them, that was the Stock Exchange value, which did not satisfy him. They were governed by the Companies Clauses Act of 1845. The Government had made the offer, but what had they done about it? They had simply objected to the Bill. What they wanted to object to was the price. There was only one way to do it, and if it was done they had the right to arbitrate under the 1844 Act. He felt it was the duty of the four joint boards to issue a notice to all the proprietors under Section 68 of the Companies Clauses Act of 1845, calling an extraordinary general meeting to put before them the Government's offer. It could only be done during the next six weeks, or it would be too late. Then they could press in the House of Commons: "We don't want your Stock Exchange value; we desire to arbitrate."

Miss Olive Matthews asked whether the company's housing programme included any of what she called Darby-and-Joan housing, in order to offer something to the men when they retired, and free the cottages that they needed. She asked also whether it would be possible, from their reserves, to add a small sum of £5,000 or £10,000 to the Cottage Homes Benefit Fund in order that some more might be built, so that some of the urgent cases on the waiting list could be taken in.

Mr. A. E. Kavanagh supported the request which Mr. Short had made to stockholders present at the meeting, and to stockholders of all the railway companies throughout the length and breadth of the land, not to adopt an attitude of defeatism, but, on the contrary, to take the view that the battle was only just beginning, and that if they gave complete and united support, they would fight this thing through to the bitter end. He asked whether the Government had considered the demand of the railway companies for arbitration upon the compensation terms proposed in the Transport Bill.

Mr. J. H. Higginson asked if and when the terms of the Bill were carried out as now drafted, would the effect be that a lump sum would be paid by the Government to the company and that the allocation of this sum between the different

classes of shareholders would be in the hands of the board of the company.

The Chairman answered "No," and confirmed Mr. Higginson's supposition that the amount to be paid to each class of shareholder, and in fact to each individual shareholder, was pre-determined already by the figures contained in the schedule to the Bill.

Mr. Wyndham White said he was appalled when he considered how little was being done effectively and influentially to combat the nefarious proposals of the Transport Bill.

Mr. F. G. Cannon said he had worked for 45 to 50 years, and in the last 16 years had been investing in railway stocks. He objected strongly that any government should take stock that he had invested in for the benefit of his children and grandchildren; and that was what they were going to do—and a curse be on their heads!

Mrs. Alexander said it seemed rather a pity to do up the hotels and refreshment rooms for robbers and thieves to benefit by them. Another big point was that railway stock was held by a great many small shareholders, and that it represented the hard-saved earnings of the people. That was a very important thing to put down the throats of these ferocious people.

Mr. W. S. Clarke referred to a suggestion which had been made of remissness on the part of the members of the board, and also on behalf of the railway stockholders. The railway stockholders' society was doing excellent work, and as for the directors—would to God they had a Government like them!

Miss Ridges, commenting on the number of posters displayed in connection with the road transport question, asked what steps the directors had taken in this direction.

Mr. William Wharton endorsed the suggestion that more might be done in the way of publicity. He was a member of the two railway stockholders' bodies, and had spent many evenings going round getting signatures to this petition. He had got over 850 signatures. Out of his 850 odd signatures, he only came across two people who knew that this petition was being put forward.

Mr. W. J. Hammond asked if it would not be a just and proper thing for the directors to see that every shareholder had one of these petition forms. Another stockholder said that at every station there might be a form for people to sign and an office for people to go and sign in as they went past.

Mr. Walker supported the suggestion that they got arbitration or made an application.

Chairman's Reply

The Chairman, in reply, said: I think perhaps I could deal with quite a number of points. I refer, in the first place, to the question that Mr. Kavanagh asked me. He asked whether the Government had considered the demand of the railways for arbitration, and, if so, with what result. The railway companies have brought their demand for arbitration to the notice of the Government in the form of an amendment to Clause 16 of the Bill, which was moved by Sir David Maxwell Fyfe and discussed in Standing Committee "B" yesterday morning, March 6. The amendment proposed that the amount of compensation should be settled by a tribunal consisting of a judge to be nominated by the Lord Chancellor, an accountant to be nominated by the President of the Institute of Chartered Accountants, and a financial or business expert to be nominated by the Chairman of the

Bankers' Clearing House Committee; and its task would have been to determine the compensation payable in respect of the capital and income rates of holders of all classes of securities specified in the Fourth Schedule to the Bill, having regard to all relevant circumstances, including in particular the future net maintainable revenue of the undertakings, and the interest yield obtained on comparable Government securities during the period 1933-38 on the net assets of each undertaking.

The committee had rejected this amendment, and the Financial Secretary to the Treasury, who was the spokesman of the Government, argued that any such reference to arbitration would be lengthy and difficult, but notably failed to answer the argument that compensation cannot fairly be settled by one-sided action on the part of the purchasers. The committee has now ordered that Clause 16 shall stand part of the Bill, subject only to certain minor drafting amendments sponsored by the Government; and an alternative amendment which was put down in the interests of the stockholders has been guillotined. I am sure that all stockholders will wish to join with me in thanking the members of the Conservative and Liberal parties who have supported this amendment in committee, particularly Sir David Maxwell Fyfe and your own Director, Mr. Ralph Assheton, whose efforts in support of the stockholders' cause have been continuous and unsparing.

Finally, may I say that every opportunity will be taken, when the Bill comes up for further consideration in Parliament, to press the demand for arbitration. That, I think, answers the several questions that have been raised on this particular subject. One must make it quite clear, of course, that, so far as the prices that the Government are proposing to pay are concerned, those do not constitute an offer. Those are the prices which the Government say they are going to give you, and that's that. They are set out in the schedule to the Bill. That is why we want arbitration, because we do not agree with the method that the Government proposes for estimating the value of our undertaking.

Councillor Wilson asked permission to speak at this point. He said the board was there to manage the business, not to sell it. The only thing they could present legitimately to the House was the vote of the proprietors whether they wished to accept it after the board had put it to them, or whether they desired to arbitrate. If they presented to the House a two-thirds majority to arbitrate, then, if the Minister of Transport did not take it into consideration, for the first time in the history of the British Parliament they would have started confiscation.

The Chairman, continuing, said: I am afraid I cannot feel that Councillor Wilson, although he has tried to be very helpful, has really thrown much further light on the situation. The Government is perfectly well aware what the views of the stockholders are. We took the very reasonable precaution, I think, before coming to any conclusion at all, of consulting the whole of our stockholders as to whether they wished to be nationalised, and the result was that we got, one might almost say, an overwhelmingly surprising vote against nationalisation. The Government knows of that.

To take a further referendum on the subject of arbitration and present it to the House just gets us nowhere. We must face realities. There is only one place in which this particular proposal or this particular Bill or any part of this particular

Bill can be broken down, and that is in the House of Commons—or in the House of Lords, one of the Houses of Parliament. But outside, although we can influence public opinion and must go on influencing public opinion to the very maximum of our abilities, the only way in which that public opinion can be effectually brought to bear is by frightening various members of the House of Commons who may think that, if they continue to be too forceful in their opposition, they may lose their seats at the next election. That is the only way in which you can really create a very strong public opinion.

If I may go on now to deal with some of the criticisms which emanated from various quarters, it will be very difficult for me to go *seriatim* through all the steps that have been taken by the boards of the companies in conjunction with the road haulage and road passenger organisations to bring the dangers of nationalisation before the public; but we have at the moment jointly with the road undertakings something like 15,000 hoarding sites throughout the country where very effective posters have been displayed. It is very easy to tell us that we can do this, that and the other regarding the stations. If we attempt to put up anti-nationalisation posters on the stations, the Minister can, of course, quite reasonably, being in control of the railways, say to us that we must give an equal show to his nationalisation posters, and therefore we do not get very far.

There are other difficulties in the way of it. If you pause to think for a short time, you will see them without my having to specify them at a public meeting. I think they jump to the eye fairly conclusively. I do assure you that the publicity work that is being done against this nationalisation campaign, although some of it may not be particularly manifest at all stages, is being done on a scale and, I think, with a competence with which no other campaign, that I know of—and I have met a good many in the course of my career—has been carried out, and I think you may take it from me, if you will—I hope you have realised after several years that I am on your side and not on the side of the Government—that the work is being carried out most effectively and most efficiently.

May I refer to what Mr. Short and Mr. Kavanagh said. We want no defeatism. We must not take it that, because certain things have happened and certain stages have been reached, that all is lost. We must go on using every opportunity of bringing every influence to bear. When you think of it, a million stockholders with all their friends and relations do represent a very substantial voting power in this country and in each individual constituency, and, the more that is rubbed in to the gentlemen in the House of Commons by means of postcards or any other method that you choose to adopt (except telegrams, which, I gather, are rather frowned on), the better for all concerned.

I am not very clear as to what Councillor Wilson thinks are the rights that we have under the 1844 Act, but perhaps, as he refers to it so frequently, it might be well just to point out to the meeting—and, I hope, to him—that Section 2 of the Act only gives the Treasury an option to purchase railways constructed after 1844—at any time after January 1, 1865, on terms equivalent to 25 years' purchase of the average annual divisible profits then being earned. This is the point: there is no compulsion in this Act for the exercise of any such option nor is there any-

thing in it—here I think I must correct Councillor Wilson's view—which prevents the Government from imposing alternative terms by Act of Parliament, should they consider it necessary or desirable in the national interest so to do.

Miss Matthews raised the question of the L.N.E.R. Cottage Homes. I think it is a very difficult proposition to suggest to the stockholders of this company, and I think it is quite useless to suggest at the present time, at any rate, while our fate is still in the balance, that we should put on one side substantial sums of money for a purpose, however admirable in itself, such as the building of additional cottage homes, because, to start with, if we are going to be taken over, quite obviously the homes are not going to be built until some time after that undesirable event has taken place.

I should like to make it clear to her that the North Eastern Cottage Homes to which she referred derive from a Homes and Benefit Fund founded many years ago by a bequest of a friend of the railway staff in the North-East of England, and it is supported by voluntary contributions now, largely by the railwaymen themselves. I quite appreciate the difficulty to which Miss Matthews refers, and it is naturally one that one would wish to deal with, but I am afraid that at the present time it would be quite impossible to give you any degree of hope that the number of homes available under this bequest, or even established by the generosity of the stockholders of the L.N.E.R., could possibly come into being for quite a considerable time.

Then Mrs. Alexander raised a question of improving the facilities in our hotels and refreshment rooms at the present time, and suggests that it would be much better if we did not spend the money. I ought to make it quite clear to her and to the stockholders generally that, whilst we are under Government control, the money that we are spending in renewals and improvements is very largely chargeable against the Control Account, and certainly it does not in any way affect the amount of money available for dividends. I think, if you would convert yourselves for a moment from stockholders into travellers, you probably would appreciate the needs for certain improvements at any rate in some of our refreshment rooms, and realise that we are really doing you no harm in one capacity and possibly quite a lot of good in another.

Mr. Higginson asked two questions. One was whether the companies receive a lump sum. The answer to that is, I think, strictly speaking, "No"; at any rate, if we do at any time receive a lump sum, which I do not think we do, we have not the disposal of it; I mean, how it is to be distributed is laid down for us in accordance with the schedule attached to the Bill. The price is fixed in the Bill. That applies in every case except those very few where there is no market price, and where the price is actually to be fixed by arbitration.

I do not think there is anything else that I have not dealt with. I must say I feel the deepest sympathy with Mr. Cannon in his very sincere and short little speech that he gave us. I feel the deepest sympathy with all those small stockholders who invested their money or inherited money invested for them by their forebears all in good faith that they were securing either for themselves or for their descendants a reasonable competence to see them through the difficulties and perils of old age. That is, I think, a thing that

March 14, 1947

THE RAILWAY GAZETTE

265

must really strike home at all decent-minded men and women at the present time—this unwarranted assault on a comparatively small section of the people.

I was amazed to see in Hansard the other day a very stark statement as to the reason why the Government was anxious to hurry this Bill through Parliament, which was—and it is in black and white—in order that at the earliest possible moment they should have the benefit of the difference between the rental now being paid to the stockholders and the rental that would be paid, or rather the interest that would be paid, on the Government stocks which they should receive in return. That is rather a shocking affair. I must say that was not a Minister who made the statement; it was a Member of the Socialist Party in the House of Commons.

That, I think, is a pretty fair indication of at least one of the reasons why nationalisation appears to be so urgently needed in the case of the transport industry. That, ladies and gentlemen, I think, deals with all the points that have been raised, and I would now, if I may, put the resolution, which I proposed and which Mr. Whigham seconded, to the meeting.

The motion was then put and carried.

The Chairman then moved the declaration and payment of dividends. The motion was seconded by Mr. W. K. Whigham, the Deputy Chairman, and carried.

Councillor Wilson proposed, and Mr. Kavanagh seconded, a motion for the re-election of directors, which was carried.

The appointment of Sir Francis Stanley Jackson to fill the vacancy on the Audit Committee caused by the death of Sir Berkeley Sheffield was moved by the Chairman, seconded by the Deputy Chairman, and carried.

Lord Airedale proposed the re-election of an auditor retiring by rotation, Councillor Wilson seconded, and the motion was carried.

A vote of thanks to the Chairman was moved by Councillor Wilson, seconded by Mr. J. H. G. Barder, and carried.

The business of the meeting being concluded, Mr. Scott Adie moved a resolution on behalf of the British Railway Stockholders Association asking stockholders to give the board continued support in opposing nationalisation. Mr. F. G. Cannon seconded, and the motion was carried.

Extraordinary General Meeting

The Chairman, proposing a resolution approving the terms of a Bill to authorise new works and acquire certain powers, said: My Lords, ladies and gentlemen, the company is promoting a Bill in Parliament this session which, under the Standing Orders of Parliament, has to be approved by the proprietors at this special meeting. The Bill proposes a deviation of the company's railway at Bramwith, near Doncaster, which is required in connection with a scheme of improvement of the River Don; and the River Ouse (Yorks) Catchment Board is making a contribution of £20,000 towards the cost of the works. The deviation will also cross the River Dun navigation of the Sheffield & South Yorkshire Navigation Company, and provides for the doing away with a swing bridge over the navigation and substitution of a fixed bridge.

Two short railways are also proposed at Skelton, near York, to form a fly-under, and these, together with the widening of the main line between Alne and Pilmoor included in the Bill, are designed to improve the working of traffic and complete

the main-line widenings between York and Northallerton.

Power is sought to widen the bridge carrying the main line over Darkes Lane at Potters Bar, which is necessary in connection with the reconstruction of Potters Bar Station; to develop certain lands at Reddish for the purpose of constructing an electric locomotive depot; and to purchase lands at Welwyn for the purpose of enabling the company to widen the Welwyn Tunnels.

The Bill also proposes to dissolve the Hull South Bridge Company, whose capital is held by the company. Their undertaking consisted mainly of a swing bridge over the River Hull, the materials of which were requisitioned by the Government during the war. The bridge company was unable to earn a profit for many years prior to the war, and as the bridge itself now has been demolished and its replacement is unnecessary, the opportunity of the promotion of the Bill is being taken to dissolve the company.

By other clauses, the company seeks to widen its existing powers and to bring them into line with the powers already possessed by other main-line companies. Per-

haps the most important of these is the provision whereby it is sought to obtain additional powers of search and arrest for our railway police, and thus strengthen them in their campaign against theft and pilferage. These are the main provisions of the Bill. There are other provisions of lesser importance which I can explain to the meeting should any further information be desired. If the proprietors have no questions to ask, I now beg to move:

That the Bill intituled "A Bill to empower the London & North Eastern Railway Company to construct railways, a widening of railway and other works and to acquire lands, to extend the time for the completion of certain works and for the compulsory purchase of certain lands; to confer further powers on the company; to dissolve the Hull South Bridge Company, and for other purposes" which is now submitted, be and the same is hereby approved, subject to such additions, alterations and variations as may be determined by the directors and as Parliament may think fit to make therein.

The motion was seconded by the Deputy Chairman, Mr. Walter K. Whigham, and was carried unanimously.

Retired Railway Officers' Society

The spring luncheon of the Retired Railway Officers' Society was held at the Connaught Rooms, London, W.I., on March 11. Mr. Ernest Wharton, President of the Society, was in the chair. The principal guest was Mr. Alfred Barnes, M.P., Minister of Transport.

The President, in welcoming the guests, referred to the fact that before the war the railways had had a surplus of men who could manage railways and had been able to export railway managers to the Dominions and Colonies, and even to foreign countries. He was pleased to see present Sir Ralph Wedgwood and Sir Herbert Walker, who were the doyens of the British General Managers who had retired. Their principal guest was Mr. Alfred Barnes and to him they wished every success—although not in the job on which he was engaged at present—and they would be delighted to see him at their functions in the future.

The Minister of Transport, responding to the toast, said he had thought that he would like to look up the constitution of the Society and see if a Minister of Transport was eligible as a retired railway officer, but he had come to the conclusion that Ministers did not retire; they were usually kicked out before they thought that they had done a useful piece of work.

Without any reserve, he could pay very high tribute to the services the railways had given to this country not only during the war, but also recently, during the difficult weather conditions with which they had had to contend. It was at such times that it was appreciated how vital were the railways to our national economy and national life. During the war the railways had had to carry vast traffics. Moreover, unlike some other industries, the railways were one of those services which had had to carry on without any break after the war. Yet in the recent abnormal weather the railways had done a really wonderful job.

Sir Ralph Wedgwood proposed the toast "Success to the Retired Railway Officers' Society," and said that he was convinced that the Society had all the attributes of vigorous health and long life. He urged those who contemplated putting their sons or grandsons into the railway industry to

see that they were trained well so that the traditions of the industry would be safe in their keeping.

Mr. Gilbert Szlumper, who responded, said that the present generation of railway men really looked much older than the members of the Society, and that was because of all the worries they had to sustain at the present time. The Society was healthy, and there was a constant inflow of new members—he supposed that one of these days there might be an awful influx—but there would always be a warm welcome for those with whom members of the Society had spent happy working days.

Mr. S. B. Carter proposed the toast to the President and Mr. Wharton responded briefly.

Among those who accepted invitations to be present were:

Messrs. A. W. Arthurton, H. Barnden, M. F. Barnard, Rt. Hon. Alfred Barnes, M.P., Messrs. G. B. Barton, D. Blee, G. Boquet, H. I. Bond, A. F. Bound, J. F. Bradford, L. C. Brittlebank, O. V. Bulleid, H. J. Burcham, E. H. Cage, S. B. Carter, A. L. Castleman, B. W. C. Cooke, G. Cornish, F. W. Crews, J. Dalziel, R. G. Davidson, Lt.-Colonel W. O. Davies, G. Cole Deacon, C.B.E.

Messrs. B. Egerton, G. Ellson, O.B.E., K. R. Ellson, A. Endicott, W. J. England, O.B.E., J. W. Enser, E. Falconer, C. Furber, E. D. Grasset, O.B.E., R. H. Hacker, Sir W. T. Halcrow, Messrs. E. L. Hawkins, S. G. Hearn, H. Holcroft, F. W. Hollingsworth, E. S. Hunt, T. W. Jacobs, J. A. Kay, Kenelm Kerr, O.B.E., A. E. Kirkus, O.B.E., C. F. Klapper, D. R. Lamb, J. W. Lovejoy, A. Maynard, D. C. McCulloch, E. W. Mauger, W. A. Messer, A. S. Mills, A. E. Moore, J. Murray, O.B.E., D. Murray, H. V. Mosley.

Commander F. J. Paice, Messrs. E. E. Painter, H. J. Peacock, O.B.E., W. M. Perts, R. Pike, W. H. J. Pyne, R. M. T. Richards, O.B.E., H. E. Robarts, P. G. Robinson, M.B.E., T. W. Royle, C.V.O., M.B.E., W. J. Sawkins, R. W. Sewill, M.A., G. H. Searle, S. W. Smart, R. S. M. Stapleton, F. R. Stockdill, J. G. Symes, Maj.-General G. S. Szlumper, C.B.E., T.D., Major W. E. Thornhill, M.C., Messrs. F. W. Tinton, F. Tyler, F. W. Tyler, Alderman W. T. Venton, Sir Herbert Walker, K.C.B., Colonel W. J. Watkins, Sir Ralph Wedgwood, C.B., C.M.G., Messrs. H. B. Webster, E. Wharton (President), P. Wharton, A. Wood, Lt.-Colonel J. S. Wilson, O.B.E.

Notes and News

L.M.S.R. Order for 200 Carriages.—The L.M.S.R. announces that a contract has been placed with the Metropolitan-Cammell Carriage & Wagon Co. Ltd., Birmingham, for 200 corridor third class carriages for main-line service.

L.N.E.R. Coal Traffic Movement.—Last week the L.N.E.R. ran 170 coal trains to London, and the amount of coal moved throughout the system exceeded 1,200,000 tons, making a total of about 5,000,000 tons in four consecutive weeks. The number of branch lines still completely blocked by snow on March 10 totalled ten.

Collision at Swanley Junction, Southern Railway.—On March 7 the 9.18 a.m. electric train from Victoria to Maidstone collided with an empty train standing in the station at Swanley Junction. Three coaches of the Maidstone train were derailed, and the down line was blocked until 3 p.m., but there were no casualties.

New Buffet Bar at Liverpool Street.—On March 6, Mr. O. H. Corble, Assistant General Manager, L.N.E.R., formally opened at Liverpool Street Station a new buffet bar on which many L.N.E.R. refreshment rooms of the future will be modelled. The new bar, which will be described in a later issue, presents several novel features, including furniture of a new design.

Executive Engineer Required.—An executive engineer is required by the Iraqi State Railways for three years in the first instance. Candidates should be corporate members of the Institution of Civil Engineers or hold a civil engineering degree, and must have had railway engineering experience. See Official Notices on page 267.

Deraiment Near Bethnal Green, L.N.E.R.—The engine of the 8 p.m. Harwich boat train from Liverpool Street was derailed on March 7, when it collided with the rear of a Liverpool Street to Epping train outside Bethnal Green Station. The coaches of the boat train were taken back to Liverpool Street, and the train was delayed for nearly three hours before proceeding. No one was injured.

Fire in L.M.S.R. Express.—While the L.M.S.R. 4.45 p.m. Euston to Blackpool express was travelling between Berkhamsted and Tring on March 7, a communicating door between the last two coaches was found to be on fire. The train was stopped near Tring Station, where the staff, helped by the N.F.S., put out the fire. Nine passengers received slight injuries from broken glass in climbing out through the carriage windows.

Return of the Blizzard.—Instead of the expected thaw in the middle of last week, a blizzard swept the country on March 5 and 6, causing widespread interruptions in transport. On March 5 many early morning London suburban electric trains were unable to begin their journeys, and renewed snow and frost in the evening caused delays to rush-hour traffic. Main-line services were affected severely by a belt of snow extending across the Midlands and blocking tracks in many places. The 12.30 a.m. L.M.S.R. express from Euston to Liverpool Lime Street arrived 15 hours late, and delays of up to 12 hours were experienced by south-bound expresses. On the L.N.E.R., the 3.50 p.m. from Manchester on March 5, due in London at 9.34 p.m., did not reach Marylebone until 1.20 p.m. the next day, having been held up by heavy drifts extending from near Aylesbury and Woodford &

Hinton. There were many incidents in South Wales. A train on the G.W.R. Merthyr-Brecon line ran into deep snow on March 4, its 22 passengers remaining marooned for 30 hours until railway workers and troops from four regiments rescued them on March 6.

C.I.E. Dividend Decision.—The board of directors of Cúras Iompair Eireann (Irish Transport Company) have decided to recommend to the ordinary general meeting on March 20 the payment of a dividend of 3 per cent., less income tax, on the common stock for the year 1946. This is 1 per cent. lower than in 1945, for which year 4 per cent. was declared.

Vickers Limited Dividends.—At a meeting of the board of Vickers Limited on February 21, the following final dividends were declared:— $\frac{1}{2}$ per cent. actual, less income tax, on the preferred 5 per cent. stock; $\frac{1}{2}$ per cent. actual, less income tax, on the 5 per cent. preference stock; and $\frac{1}{2}$ per cent. actual, free of income tax up to 6s. in the £, on the cumulative preference stock. In all cases the distribution for the year ended December 31, 1946, is brought up to 5 per cent. Payment will be made on March 28.

G.W. of Brazil Debentures.—The directors of the Great Western of Brazil Railway Co. Ltd. announce that on March 21 interest will be paid on the debenture capital in respect of the half-year ended June 30, 1945. Warrants will be posted on March 20 to all holders of permanent 6 per cent. debenture stock registered prior to March 7, 1947. Coupon No. 69 of the 4 per cent. (now 5 $\frac{1}{2}$ per cent.) debentures, which fell due on July 1 1945, will be paid on March 21 on presentation to Glyn, Mills & Company, 67, Lombard Street, London, E.C.3. The permanent 6 per cent. debenture stock register was closed on March 7.

Stacatruc Demonstration at London Airport.—The capabilities of the Stacatruc fork-lift truck for the loading, unloading, and servicing of aircraft were demonstrated by Industry & Trade Development Limited at London Airport on February 13. Among those present for the demonstration, which comprised a series of tests on lines similar to those described in our October 18 issue, were representatives of the Ministry of Civil Aviation and Ministry of Supply. Mr. G. S. Lindgren, M.P., Parliamentary Secretary to the Ministry of Civil Aviation, personally drove and manoeuvred the Stacatruc, and later expressed the view that the system would revolutionise present methods of handling baggage, freight, mail, stores, etc., on airfields, and thus would facilitate considerably the speedy turn-round of aircraft and result in economy in manpower.

Electricity Supply on South African Royal Train.—The coaches of the South African Royal Train are fitted with Exide-Ironclad batteries for lighting and air-conditioning, which are subject to heavy demands when the train is stationary for long periods. To provide for recharging in these conditions, the South African Railways have made available twelve mobile generating sets at outlying stations along the route. These sets are petrol driven, and have been supplied by Associated British Oil Engines Limited. They derive current for starting and ignition from a 24-volt Exide battery, comprising four 6-volt units, Type 3-XCZ.15H, with a rated capacity of 89 amp.-hr. at the 10-hour rate of discharge. Two Exide-Ironclad batteries have been supplied to

the Automatic Telephone & Electric Co. Ltd., Liverpool, for operating the telephone system on the train. One is a 24-cell battery of four 12-volt units, Type 6-PMH.2-1H, with a rated capacity of 39 amp.-hr. at the 10-hour rate; and the other is a 26-cell battery of similar type and capacity. Exide 24-volt batteries have been provided, also, to operate all electrical services of the four Vickers "Viking" aircraft of the King's Flight, in which the Royal party will fly from Pretoria to Rhodesia.

British and Irish Railway Stocks and Shares

Stocks	Highest 1946	Lowest 1946	Prices	
			Mar. 11, 1947	Rise Fall
G.W.R.				
Cons. Ord.	61 $\frac{1}{2}$	54 $\frac{1}{2}$	55 $\frac{1}{2}$ xd	—
5% Con. Pref.	126 $\frac{1}{2}$	107 $\frac{1}{2}$	120 $\frac{1}{2}$ xd	—
5% Red. Pref. (1950)	106 $\frac{1}{2}$	102 $\frac{1}{2}$	103 $\frac{1}{2}$ xd	—
5% Rt. Charge	140 $\frac{1}{2}$	122 $\frac{1}{2}$	134 $\frac{1}{2}$	—
5% Cont.Guar.	137 $\frac{1}{2}$	118 $\frac{1}{2}$	131 $\frac{1}{2}$ xd	—
4% Deb.	129 $\frac{1}{2}$	106 $\frac{1}{2}$	123 $\frac{1}{2}$	—
4 $\frac{1}{2}$ % Deb.	129 $\frac{1}{2}$	107 $\frac{1}{2}$	123 $\frac{1}{2}$	—
4 $\frac{1}{2}$ % Deb.	130 $\frac{1}{2}$	114 $\frac{1}{2}$	125 $\frac{1}{2}$	—
5% Deb.	142 $\frac{1}{2}$	125 $\frac{1}{2}$	137 $\frac{1}{2}$	—
2 $\frac{1}{2}$ % Deb.	95 $\frac{1}{2}$	81 $\frac{1}{2}$	92 $\frac{1}{2}$	—
L.M.S.R.				
Ord.	30 $\frac{1}{2}$	26 $\frac{1}{2}$	27	— $\frac{1}{2}$
4% Pref. (1923)	64	52 $\frac{1}{2}$	58 $\frac{1}{2}$	—
4% Pref.	86	75 $\frac{1}{2}$	81 $\frac{1}{2}$	—
5% Red. Pref. (1955)	105 $\frac{1}{2}$	97	101 $\frac{1}{2}$	—
4% Deb.	108 $\frac{1}{2}$	100	103 $\frac{1}{2}$	—
4% Deb.	120	103	113 $\frac{1}{2}$	—
5% Red. Deb. (1952)	108 $\frac{1}{2}$	105 $\frac{1}{2}$	105 $\frac{1}{2}$	—
N.E.R.				
5% Pref. Ord.	7	5	6 $\frac{1}{2}$	—
Def. Ord.	3 $\frac{1}{2}$	2 $\frac{1}{2}$	3 $\frac{1}{2}$	—
4% First Pref.	59 $\frac{1}{2}$	50 $\frac{1}{2}$	55 $\frac{1}{2}$ xd	—
4% Second Pref.	29 $\frac{1}{2}$	25 $\frac{1}{2}$	27	— $\frac{1}{2}$
5% Red. Pret. (1955)	104	97	99 $\frac{1}{2}$ xd	—
4% First Guar.	107	98	102 $\frac{1}{2}$	—
4% Second Guar.	101	90	96 $\frac{1}{2}$	—
4% Deb.	104	87 $\frac{1}{2}$	98 $\frac{1}{2}$	— $\frac{1}{2}$
4% Deb.	119 $\frac{1}{2}$	102 $\frac{1}{2}$	113 $\frac{1}{2}$	—
5% Red. Deb. (1947)	101	99	99 $\frac{1}{2}$	—
4 $\frac{1}{2}$ % Sinking Fund Red. Deb.	107 $\frac{1}{2}$	101 $\frac{1}{2}$	103 $\frac{1}{2}$	+ 1
SOUTHERN				
Pref. Ord.	79 $\frac{1}{2}$	70	73 $\frac{1}{2}$ xd	—
Def. Ord.	24	19 $\frac{1}{2}$	22 $\frac{1}{2}$ xd	—
5% Pref.	125 $\frac{1}{2}$	107	119 $\frac{1}{2}$ xd	—
5% Red. Pref. (1964)	115 $\frac{1}{2}$	106 $\frac{1}{2}$	111 $\frac{1}{2}$ xd	—
5% Red. Guar. Pref. (1957)	137 $\frac{1}{2}$	119	131 $\frac{1}{2}$ xd	—
4% Deb.	115 $\frac{1}{2}$	107 $\frac{1}{2}$	111 $\frac{1}{2}$ xd	—
4% Deb.	129 $\frac{1}{2}$	105 $\frac{1}{2}$	123 $\frac{1}{2}$	—
5% Deb.	159 $\frac{1}{2}$	125 $\frac{1}{2}$	134 $\frac{1}{2}$	—
4% Red. Deb. (1962- 67)	113 $\frac{1}{2}$	104 $\frac{1}{2}$	110 $\frac{1}{2}$	—
4% Red. Deb. (1970- 80)	115 $\frac{1}{2}$	104 $\frac{1}{2}$	111 $\frac{1}{2}$	—
FORTH BRIDGE				
4% Deb.	109	103	104 $\frac{1}{2}$	—
4% Guar.	105	102	101	—
L.P.T.B.				
4 $\frac{1}{2}$ "A"	133 $\frac{1}{2}$	120 $\frac{1}{2}$	127 $\frac{1}{2}$	—
5% "A"	142 $\frac{1}{2}$	130 $\frac{1}{2}$	136 $\frac{1}{2}$	—
3% Guar. (1967-72)	108	98 $\frac{1}{2}$	106 $\frac{1}{2}$	+ 2
5% "B"	128 $\frac{1}{2}$	117 $\frac{1}{2}$	123 $\frac{1}{2}$	— 2
"C"	64 $\frac{1}{2}$	56 $\frac{1}{2}$	63 $\frac{1}{2}$ xd	—
MERSEY				
Ord.	34	30	33 $\frac{1}{2}$ xd	—
3% Perp. Pref.	76	69	72 $\frac{1}{2}$ xd	—
4% Perp. Deb.	117 $\frac{1}{2}$	103	111	—
3% Perp. Deb.	98	81	92 $\frac{1}{2}$	—
IRELAND*				
BELFAST & C.D.				
Ord.	8 $\frac{1}{2}$	6	7 $\frac{1}{2}$	—
G. NORTHERN				
Ord.	41 $\frac{1}{2}$	31 $\frac{1}{2}$	33 $\frac{1}{2}$ xd	+ 2 $\frac{1}{2}$
Perf.	63 $\frac{1}{2}$	52	53 $\frac{1}{2}$	- 3 $\frac{1}{2}$
Guar.	97 $\frac{1}{2}$	78 $\frac{1}{2}$	96	—
Deb.	107	97 $\frac{1}{2}$	106	—
IRISH TRANSPORT				
Common	19 $\frac{1}{2}$ /2	16 $\frac{1}{2}$	15 $\frac{1}{2}$	- 1d.
3% Deb.	107	100	105 $\frac{1}{2}$	+ $\frac{1}{2}$ d.

* Latest available quotation

OFFICIAL NOTICES

Crown Agents for the Colonies

APPLICATIONS from qualified candidates are invited for the following post:—
EXECUTIVE ENGINEER required by the Iraqi State Railways for three years in the first instance. Salary between I.D. 100 and I.D. 110 a month, according to qualifications and experience, plus high cost of living allowance of I.D. 24 a month (I.D. 1 = £1.). Free passage. Provident Fund. Candidates should be Corporate Members of the Institution of Civil Engineers or hold a Civil Engineering Degree and must have had railway engineering experience. Apply at once by letter, stating age, whether married or single, and full particulars of qualifications and experience, and mentioning this paper, to the CROWN AGENTS FOR THE COLONIES, 4, Millbank, London, S.W.1, quoting M/N/12852 on both letter and envelope.

URGENTLY WANTED—Two Rail Straightening and Bending Machines capable of handling bull-headed rails up to 100 lb. per yard, 6 in. high by 24 in. wide, and flat-bottomed rails up to 20 lb. per yard, 6 in. flange by 6 in. high.—Box 70. *The Railway Gazette*, 33, Tothill Street, Westminster, London, S.W.1.

PLASTICS IN RAILWAY ENGINEERING. By T. Lovatt Williams and D. Warburton Brown. 1s. By post 1s. 2d.

Tyne Improvement Commission

THE Tyne Improvement Commissioners invite applications from qualified persons for the position, under their Chief Engineer, of Resident Engineer for their Dock Estates at North Shields and South Shields.

Applicants must be corporate members of the Institution of Civil Engineers, be not less than 30 years of age and not more than 45 years of age on January 1, 1947, and have had experience of Dock and Harbour construction and maintenance.

Salary £800 per annum plus War Bonus (at present 6s. per annum), rising by annual increments of £50 to a maximum of £900 per annum. The person appointed will be subject to the provisions of the Commissioners' Superannuation Scheme.

Applications on a prescribed form, copies of which can be obtained from the undersigned, will be received up to April 9, 1947, and should be sent under cover addressed to the Chairman and marked "Resident Engineer—Docks."

The person appointed will be required to reside in the district and devote himself exclusively to the service of the Commissioners. Canvassing will be a disqualification.

By Order,
J. K. MCKENDRICK
Secretary

Tyne Improvement Commission,
Newcastle-upon-Tyne, 1.
February 19, 1947

Extension of G.W.R. Zonal Goods Scheme.—With the bringing into operation on March 1 of zonal collection and delivery arrangements in a new zone based on Newton Abbot, the G.W.R. now provides these services in 20 areas out of the 36 that eventually will cover the whole system. The new zone has an area of 300 square miles. There are sub-railheads at Paignton and Teignmouth.

Cook's Continental Timetable.—In consequence of the Government's decision to advance the introduction of Summer Time in Great Britain, it has been decided to postpone publication of the March issue of *Cook's Continental Timetable* until the middle of the month in order that particulars of the altered services may be included in that issue, which will remain current until April 12. The April issue, to be published on April 14, will cover the period from April 13 (when Double Summer Time is to come into operation in this country) to May 4. Thereafter, the timetable will appear at the normal intervals, early each month.

Thomas De La Rue & Co. Ltd.—Among the developments mentioned by Mr. B. C. Westall, Chairman of Thomas De La Rue & Co. Ltd., at an extraordinary general meeting of the company on February 5, was the formation of a new subsidiary company known as De La Rue Insulation Limited. During the war, a site was purchased at Tynemouth, and immediately on the termination of hostilities a factory was built there for various selected manufacturing processes concerned with the production of decorative boards. At the same time, negotiations were opened with Metropolitan-Vickers Limited, whose Traffolyte undertaking was purchased, and with the Formica Corporation, from whom were acquired the manufacturing rights of Formica products for the British Empire and certain other territories. Mr. Westall said that the plant and machinery required for making these materials on a large scale was being installed, and that production at the Tynemouth factory would begin in the course of a few weeks. The company had carried on negotiations for the sale of its plastic moulding section, De La Rue Plastics Limited. These negotiations had reached an advanced stage, and this transaction, together with the issue of half a million pounds in pre-

ference shares, and 116,000 ordinary shares at a price still remaining to be decided, would provide the additional capital needed for the expansion of De La Rue Insulation Limited, and of the new subsidiary, De La Rue Gas Development Limited. The total capital needs of the parent company at the present time called for not far short of £2½ million.

Coke Breeze Prevents a Fuel Crisis.—Firms trying to meet factory heating and process steam requirements with inadequate coal allocations will be interested to learn of the successful use of coke breeze in coal-fired boilers. Several months ago, foreseeing the possibility of a coal shortage, the firm of Crompton Parkinson Limited, Chelmsford, began to study the utilisation of coke breeze as a substitute for coal, when they found that, although breeze by itself was not satisfactory, by mixing in old waste oils of any kind and developing a special technique of boiler operation, the results were equivalent to burning coal. Special equipment was then installed to spray and treat the breeze with waste oil. By the use of this new boiler fuel, the Chelmsford works managed to keep going when coal stocks ran out, and even during the electricity switch-off about 75 per cent. of production was maintained, power being supplied from the works oil-engine driven generators.

Professional Engineers' Appointments Bureau.—Details were given in our issue of November 23, 1945, of the Professional Engineers' Appointments Bureau, whose offices are at 13, Victoria Street, London, S.W.1. The Chairman of the Bureau is Lt.-Colonel C. M. Norrie, D.S.O., and Mr. R. W. L. Harris is Secretary & Registrar. The results of the working of the Bureau during 1946 have just been published and are considered very satisfactory. During the period now under review, the average number of engineers on the register was 964, and 184 of these were primarily civil, 390 mechanical, and 390 electrical engineers. Employers have supported the Bureau well by notifying 1,155 vacancies, and, generally, nominations have been made within seven days of a vacancy being notified. It is known that at least 217 engineers have obtained posts with the employers to whom they were nominated, which is above the estimate anticipated for the first year, and the actual results may

4-8-2 CLASS "15F" LOCOMOTIVES FOR THE SOUTH AFRICAN RAILWAYS.

The latest examples of these main-line passenger and freight locomotives have been built by the North British Locomotive Co. Ltd. Reprinted from *The Railway Gazette* of September 20, 1946. Price 2s. By post 2s. 2d.

CONVERSION OF LOCOMOTIVES FROM COAL TO OIL BURNING. Ministry of Transport plan for converting 1,217 locomotives. Equipment of oil burning locomotives on the G.W.R. fully described and illustrated, which forms the basis of the scheme. Reprinted from *The Railway Gazette*, August 18, August 16 and 30, 1946. Price 2s. By post 2s. 2d.

TRANSPORT ADMINISTRATION IN TROPICAL DEPENDENCIES. By George V. O. Bulkeley, C.B.E., M.I.Mech.E. With chapters on Finance, Accounting and Statistical Method. In collaboration with Ernest J. Smith, F.C.I.S., formerly Chief Accountant, Nigerian Government Railway. 190 pages Medium 8vo. Full cloth. Price 20s. By post 20s. 6d.

INTERNATIONAL RAILWAY ASSOCIATIONS. Notes on the work of the various associations concerned with International traffic, principally on the European Continent. 2s. By post 2s. 2d.

well be higher as information has not yet been obtained on a number of the nominations. It is also known that at least a further 158 engineers were offered posts. Extensive use was made of the advisory services of the Bureau both by registered engineers and employers, and, judging from the replies received, this department has been widely appreciated.

Associated Locomotive Equipment Limited London Offices.—The London offices of Associated Locomotive Equipment Limited are now at Duke's Court, 32, Duke Street, St. James's, S.W.1 (telephone: Whitehall 6177; telegrams: Locoquip, Piccy, London).

Railway Students' Association.—Tickets for the Railway Students' Association dance and whist drive on March 25, an announcement concerning which appeared in our last week's issue, may be obtained on application, with remittance, to the Joint Honorary Secretary, 10, Kidmore Road, Caversham, Reading, Berkshire, at 7s. 6d. single, or 14s. double (lady and gentleman), inclusive. The number is limited. The next meeting of the Association will be held at the London School of Economics on March 18, at 6 p.m., when Mr. R. P. Biddle (Docks & Marine Manager, Southern Railway) will read a paper on "Docks Operation."

Forthcoming Meetings

March 17 (Mon.).—The Institution of Transport (Metropolitan Graduate & Student Society), at the Institution of Electrical Engineers, Savoy Place, Victoria Embankment, W.C.2. 5.30 p.m. "Transport and the Trade Press," by Mr. L. D. Kitchin, A.M.Inst.T.

March 19 (Wed.).—The Permanent Way Institution (London Section), 6.30 p.m. "Carlisle-Eden Bridge" (Illustrated), by Mr. H. Williams (L.M.S.R.).

March 21 (Fri.).—The Institution of Mechanical Engineers, Storey's Gate, St. James's Park, London, S.W.1. 5.30 p.m. "The Combination Torque-Converter and Fluid Coupling Drive," B. J. Tams, M.Sc.Tech., B.Sc.(Eng.), M.I.Mech.E., and A. L. Gatiss.

Railway Stock Market

With the economic policy debate in the Commons dominating sentiment and emphasising the serious position which has been allowed to develop, stock markets have been subdued. British Funds encountered fresh selling on doubts whether Mr. Dalton can sustain his cheaper money policy; 2½ per cent. Consols and Treasury 2½ per cent. both led the decline. Later, the tendency in the gilt-edged market became steadier, but industrials were affected by the fact that the events of recent weeks and the continued fuel shortages must be reflected in the current year's earnings of a wide range of companies. Nevertheless, there was again no heavy selling and good features were not lacking. Stewarts and Lloyds, for instance, responded to the company's big expansion plans. Thomas & Baldwin's were higher on the interim dividend and Powell Duffryn strengthened, attention being drawn to the company's important non-colliery interests. John Brown shares were firm on news of the interest acquired by the company in A. C. Wickman, the machine tool manufacturer.

The foreign railway market continued to attract considerable attention with Argentine stocks fluctuating rather sharply on profit-taking, but fresh buying later produced a further all-round rally, although preference stocks appeared to be the chief favourites. Nevertheless, there is growing confidence that those debenture stocks of the various railways on which interest has been regularly paid should receive at least par; so there may be reasonable scope for further satisfactory capital appreciation in debentures

of the Buenos Ayres Great Southern and Buenos Ayres Western companies.

Central Uruguay stocks have also been an active market on continued talk that "take-over" developments on similar lines to the Argentine railway scheme may be proposed. Nevertheless the main feature has been a substantial advance in securities of British-owned Brazilian railways on reports that proposals for taking over the Leopoldina and other companies are forming part of the Anglo-Brazil financial discussions.

Among Brazilian stocks, Leopoldina ordinary has advanced to 20, compared with 12 a week ago, the preference stock from 40 to 51 and the 4 per cent. debentures from 70 to 80. Great Western of Brazil ordinary and preferred developed activity and advanced to 80s. and Leopoldina £1 ordinary strengthened to 3s. and the 4 per cent. debentures touched 60. On the other hand, São Paulo eased to 165, awaiting news of the offer for the company's ancillary interests.

The following table provides some representative movements in leading stocks of Argentine railway companies, comparison being between current prices and those a week ago:-

		Week ago	Current price
B.A. Gt. Southern, Ord.	... 16	17	
Do. 6½% Pref.	... 50	50	
Do. 4% Deb.	... 94	94	
B.A. Western, Ord.	... 26½	27	
Do. 4½% Pref.	... 86	87	
B.A. & Pacific, 1912 Deb.	... 85	81	
Cent. Argentine, Ord.	... 22	19½	
Do. 4½% Pref.	... 32	30	
Do. 6% Pref.	... 44	40	
Do. 4% Deb.	... 93	94	
Entre Ríos, 1st Pref.	... 19	18½	

Compared with a week ago, Argentine North Eastern "C" debentures have risen from 77 to 80. During the same period, Central Uruguay ordinary advanced from 19 to 29 and the second debentures from 68 to 73. Elsewhere, Antofagasta preference eased to 65, but United of Havana 1912 debentures strengthened to 22½.

There has been a dull tendency in Home railway stocks with moderate selling predominating, and prices, where changed, recorded small declines, due partly to a disposition for railway and other nationalisation stocks to be affected by the trend in British Funds. There was general satisfaction in the City that Mr. Dalton, despite his previous statements, has had second thoughts in respect of London Transport 3 per cent. guaranteed stock, 1967-72. The latter, despite its guarantee as to principal and interest by the Treasury under the Finance Act, 1934, was to be treated in a similar manner to other railway stocks in the matter of loss of income, etc., arising from nationalisation "compensation." This naturally created widespread criticism as it was tantamount to a repudiation of a British Government guarantee. It has now been decided that holders of the stock will receive a special issue of Transport stock carrying the same guarantee as to principal, interest and redemption.

Compared with a week ago, Great Western ordinary has further eased from 55½ to 55, and L.M.S.R. ordinary from 27½ to 27. London Transport "C" stock was 63d, but following the Government's decision in respect of the 3 per cent. guaranteed stock, the latter was marked up in price from 104½ to 106½.

Traffic Table and Stock Prices of Overseas and Foreign Railways

Railways	Miles open	Week ended	Traffic for week		No. of weeks	Aggregate traffics to date			Shares or Stock	Prices				
			Total this year	Inc. or dec. compared with 1944/5		Totals		Increase or decrease		Highest 1945	Lowest 1945	Mar. 11, 1947		
						1946/7	1945/6							
South & Central America														
Antofagasta	834	2.3.47	£ 40,630	- 1,580	9	£ 320,420	£ 299,550	+ 20,870	Ord. Stk.	12	8½	12		
Arg. N.E.	753	1.3.47	ps. 332,600	+ ps. 53,900	35	ps. 1,051,300	ps. 10,393,200	+ ps. 658,100	6 p.c. Deb. Bonds	10	5½	17		
Bolívar	174	Feb., 1947	\$113,608	+ \$3,013	9	\$228,677	\$232,451	- \$3,774	Ord. Stk.	7	5	8		
Brazil	—	—	—	—	—	—	—	—	Ord. Stk.	13½	10½	18		
B.A. Pacific	2,771	1.3.47	ps. 2,790,000	+ ps. 118,000	35	ps. 80,402,000	ps. 78,376,000	+ ps. 2,026,000	Ord. Stk.	—	—	—		
B.A.G.S.	5,080	1.3.47	ps. 4,392,000	- ps. 9,100	35	ps. 125,475,000	ps. 121,084,000	+ ps. 4,391,000	Ord. Stk.	—	—	—		
B.A. Western	1,924	1.3.47	ps. 1,503,000	+ ps. 369,000	35	ps. 45,325,000	ps. 42,125,000	+ ps. 3,200,000	Ord. Stk.	—	—	—		
Cent. Argentine	3,700	1.3.47	ps. 3,544,750	+ ps. 154,750	35	ps. 112,658,497	ps. 109,428,450	+ ps. 3,230,047	Ord. Stk.	—	—	—		
Do.	—	—	—	—	—	—	—	—	Dfd.	5	2½	20		
Cent. Uruguay	970	1.3.47	38,699	+ 4,785	35	1,286,905	1,354,910	- 68,05	Ord. Stk.	7½	4	29		
Costa Rica	262	Jan., 1947	30,317	+ 4,789	31	190,342	195,192	- 4,850	Ord. Stk.	16½	13	12		
Dorada	70	Dec., 1946	32,000	+ 3,124	52	369,575	359,365	+ 10,210	I.M. Deb.	103	102	102½		
Entre Ríos	808	1.3.47	ps. 461,300	+ ps. 46,900	35	ps. 15,139,400	ps. 14,835,300	+ ps. 304,100	Ord. Stk.	7½	4½	7½		
G.W. of Brazil	1,030	1.3.47	39,800	+ 6,900	9	34,200	290,100	+ 53,100	Ord. Stk.	30/-	23/6	85/-		
Inter. Csl. Amer.	794	Jan., 1947	\$1,181,408	+ \$156,861	4	\$1,181,408	\$1,024,547	+ \$156,861	p.s. 5. Deb.	78	70	65		
La Guaira	—	22½	Feb., 1947	\$99,791	+ \$10,779	8	\$225,067	\$236,062	- \$10,995	Ord. Stk.	4½	3½	20	
Leopoldina	1,918	1.3.47	77,049	+ 15,932	9	570,824	500,192	+ 70,632	Ord. Stk.	—	—	—		
Mexican	483	31.5.46	ps. 1,464,000	+ ps. 459,100	22	ps. 7,706,200	ps. 13,441,600	+ ps. 5,220,200	Ord. Stk.	—	—	—		
Midland Uruguay	319	Jan., 1947	12,680	+ 5,934	30	124,212	134,489	- 10,277	Ord. Sh.	75/6	67/6	75/6		
Nitrate	382	28.2.47	6,542	+ 2,824	8	31,950	37,157	- 5,207	Ord. Sh.	—	—	—		
N.W. of Uruguay	113	Jan., 1947	5,490	+ 52	31	38,606	40,818	- 2,212	Ord. Sh.	—	—	—		
Paraguay Cent.	274	28.2.47	ps. 67,544	+ ps. 10,911	35	ps. 218,235	ps. 62,085,655	+ ps. 61,32,580	Pr.Li.Stk.	79½	77	52½		
Peru Corp.	1,059	Feb., 1947	133,073	+ 5,322	35	1,201,535	1,134,456	+ 67,079	Pref. Stk.	10½	7½	11		
Salvador	100	Jan., 1947	c265,000	+ c31,000	31	c885,000	c847,000	+ c38,000	Ord. Stk.	60½	50½	163½		
San Paulo	153½	—	—	—	—	—	—	—	Ord. Stk.	17½	10½	22½		
Talat	156	Feb., 1947	2,870	- 2,445	35	34,705	24,490	+ 10,215	Ord. Stk.	3	1	3		
United of Havana	1,301	1.3.47	95,753	+ 6,580	35	1,914,642	1,787,484	+ 127,158	Ord. Stk.	—	—	—		
Uruguay Northern	73	Jan., 1947	1,085	- 585	30	9,033	12,613	- 3,580	Ord. Stk.	—	—	—		
Canada	Canadian National	23,482	Jan., 1947	8,214,500	+ 489,250	4	8,214,500	7,725,250	+ 489,250	Ord. Stk.	—	—	—	
	Canadian Pacific	17,037	28.2.47	1,546,500	- 8,000	8	11,098,750	11,477,000	- 378,250	Ord. Stk.	24	14½	17½	
Various	Barri Light†	202	Jan., 1947	21,292	- 1,492	43	225,870	225,120	+ 750	Ord. Stk.	131	123	111	
	Beira	204	Sept., 1946	90,848	+ 17,136	52	950,694	920,575	+ 30,119	—	—	—	—	
	Egyptian Delta	607	20.1.47	19,481	+ 1,138	42	548,140	514,206	+ 33,934	Pref. Stk.	10	8½	6	
	Manila	—	—	—	—	—	—	—	B. Deb.	71	55½	74½		
	Mid. of W. Australia	277	Jan., 1947	16,229	- 1,557	30	115,351	118,260	- 2,909	Inc. Deb.	97½	85	65	
	Nigeria	1,900	Dec., 1946	350,862	+ 14,310	38	3,440,923	2,413,177	+ 1,027,746	—	—	—	—	
	Rhodesia	2,445	Sept., 1946	541,147	+ 24,052	52	6,174,663	6,069,663	+ 105,000	—	—	—	—	
	South African	13,323	8.2.47	1,231,248	+ 146,295	45	50,122,467	45,721,196	+ 6,291,271	—	—	—	—	
	Victoria	4,774	Oct., 1946	880,411	- 426,246	—	—	—	—	—	—	—	—	

† Receipts are calculated @ 1s. 6d. to the rupee